

INDEPENDENT AUDITOR'S REPORT

To the Members of Annapurna Finance Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Annapurna Finance Private Limited ("the Company"), which comprise the Balance sheet as at March 31, 2019, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.



We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key audit matters	How our audit addressed the key audit matter
Credit risk and provisioning on loans and advances to customers (as described in note 2.1(q), 7 and 22 of the financial statements)	
<p>For the year ended March 31, 2019 the Company's total loans and advances to customers is Rs. 250,885 lacs against which a provision for non-performing assets of Rs. 2,930 lacs and provision against standard assets of Rs. 96 lacs have been recognized by the Company. Loans and advances form major portion of the Company's assets. Provision on portfolio loans under microfinance loans are made as per minimum provision required as per Non-Banking Financial Company Micro Finance Institutions' (Reserve Bank) Directions, 2011 issued by Reserve Bank of India as amended from time to time. The Company exercises significant judgment while determining the extent of provision required against Non-performing assets. In carrying out the above exercise for identification of credit risk, the Company takes into consideration the ageing of overdue receivables and also takes into account the external factors like political disruptions / actions, natural calamities etc.</p> <p>This has been considered as a key audit matter as significant judgement is involved in determining the provision amount for doubtful loans and advances.</p>	<p>The audit procedures performed, among others, included:</p> <ul style="list-style-type: none"> • Considered the Company's policies for NPA identification and provisioning and assessing compliance with the NBFC-MFI Directions. • Performed tests of controls over the identification and provisioning of aged / delinquent loans and advances. • Performed other procedures including substantive audit procedures covering the identification of NPAs by the Company. These procedures included: <ul style="list-style-type: none"> • Tested exception reports on a sample basis generated by the Company. • For customer-wise provisioning, tested selected samples of loans and advances to assess whether doubtful loans and advances have been identified correctly. • Tested whether the provision calculated is as per the RBI prudential norms. For provisioning in excess of the RBI norms, we tested whether there is compliance with the Company's provision policy. • Performed inquiries with the credit departments to ascertain if there were indicators of stress or an occurrence of an event of default on a particular loan account • Assessed compliance with the disclosure requirements of the applicable accounting standards, Schedule III to the Companies Act and RBI guidelines.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report included in the Annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended;
 - (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

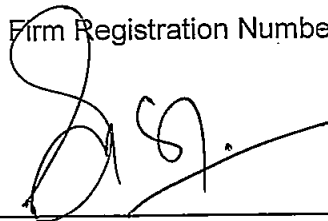


- (g) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2019;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position in its financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



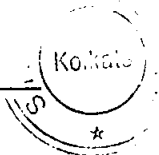
per **Sanjay Kumar Agarwal**

Partner

Membership Number: 060352

Place of Signature: Kolkata

Date: June 24, 2019



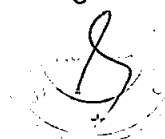
Annexure 1 referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of Annapurna Finance Private Limited as at and for the year ended March 31, 2019

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Majority of the fixed assets have been physically verified by the management during the year and there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties included in fixed assets are held in the name of the Company.
- (ii) The Company's business does not involve inventories. Accordingly, the requirements under paragraph 3(ii) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3 (iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Company is not in the business of sale of any goods. Therefore, in our opinion, the provisions of clause 3 (vi) of the Order are not applicable to the Company.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.



- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, goods and service tax, cess and other statutory dues were outstanding, at the year-end, for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no dues of income tax, goods and service tax and cess which have not been deposited on account of any dispute.
- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to debenture holders.
- (ix) According to the information and explanation given by the management, the Company has not raised any money by way of initial public offer or further public offer, hence not commented upon.

Further, money raised by the Company by way of term loans / debt instruments were applied for the purpose for which those were raised, though idle/surplus funds which were not required for immediate utilisation have been gainfully invested in fixed deposits/liquid assets funds.
- (x) According to the information and explanations given to us, we report that no material fraud by the Company or by its employees or officers has been noticed or reported during the year except for instances of cash embezzlements by certain employees of the Company aggregating to an amount of Rs. 25,39,364 and out of which Rs 1,10,000 has been recovered.
- (xi) The Company being a private Company, hence the provisions of section 197 read with Schedule V of the Act is not applicable and hence not commented upon.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given by the management, the Company has complied with provisions of section 42 of the Companies Act, 2013 in respect of preferential allotment or private placement of shares issued during the year. According



S.R. BATLIBOI & Co. LLP

Chartered Accountants

to the information and explanations given by the management, we report that the amounts raised, have been used for the purposes for which the funds were raised.

- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, we report that the Company has registered as required, under section 45-IA of the Reserve Bank of India Act, 1934.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per **Sanjay Kumar Agarwal**

Partner

Membership Number: 060352



Place of Signature: Kolkata

Date: June 24, 2019

Annexure 2 to the Independent Auditor's Report of Even Date on the financial statements of Annapurna Finance Private Limited

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

We have audited the internal financial controls over financial reporting of Annapurna Finance Private Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting



included obtaining an understanding of internal financial controls over financial reporting with reference to these financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

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



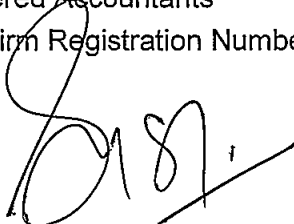
Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these financial statements were operating effectively as at March 31, 2019 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per Sanjay Kumar Agarwal

Partner

Membership Number: 060352

Place of Signature: Kolkata

Date: June 24, 2019



Annapurna Finance Private Limited (Formerly Annapurna Microfinance Private Limited)
Balance Sheet as at March 31, 2019

	Notes	March 31, 2019 (Rs.)	March 31, 2018 (Rs.)
I. Equity and liabilities			
Shareholders' funds			
Share capital	3	71,69,96,480	46,02,14,080
Reserves and surplus	4	5,24,69,02,311	1,96,62,71,565
		5,96,38,98,791	2,42,64,85,645
Non-current liabilities			
Long-term borrowings	5	13,87,21,26,771	8,39,95,89,210
Long term provisions	7	29,30,03,934	28,35,24,380
		14,16,51,30,705	8,68,31,13,590
Current liabilities			
Short-term borrowings	6	99,00,00,000	78,00,00,000
Other current liabilities	8	11,51,01,23,877	8,31,19,17,102
Short-term provisions	7	4,29,37,676	3,47,68,157
		12,54,30,61,553	9,12,66,85,259
Total		32,67,20,91,049	20,23,62,84,494
II. Assets			
Non-current assets			
Fixed assets			
Tangible assets	9	9,96,07,036	5,19,70,119
Intangible assets	10	1,56,20,580	1,35,49,671
Deferred tax assets (net)	11	10,72,33,490	10,90,33,093
Long term loans and advances	12	8,56,75,04,530	4,73,61,65,637
Other non-current assets	13	84,64,17,629	88,59,10,681
		9,63,63,83,265	5,79,66,29,201
Current assets			
Cash and bank balances	14	5,73,87,29,688	3,04,51,25,182
Short-term loans and advances	12	16,87,04,84,485	11,11,20,77,662
Other current assets	13	42,64,93,611	28,24,52,449
		23,03,57,07,784	14,43,96,55,293
Total		32,67,20,91,049	20,23,62,84,494

Summary of significant accounting policies 2.1

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

per Sanjay Kumar Agarwal
Partner

Membership No.: 060352

For and on behalf of the Board of Directors of
Annapurna Finance Private Limited

Gobinda Chandra Pattanaik
Managing Director

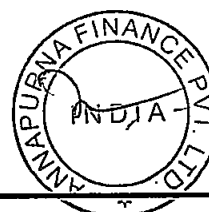
Dibyajyoti Pattanaik
Director

Subrat Pradhan
Subrat Pradhan
Company Secretary

Satyajit Das
Satyajit Das
Chief Financial Officer

Place: Kolkata
Date: June 24, 2019

Place: Amsterdam
Date: June 21, 2019



Annapurna Finance Private Limited (Formerly Annapurna Microfinance Private Limited)
Statement of Profit and Loss for the year ended March 31, 2019

	Notes	Year ended March 31, 2019 (Rs.)	Year ended March 31, 2018 (Rs.)
I. Income			
Revenue from operations	15	4,87,67,51,914	3,30,60,26,478
Other income	16	17,48,18,522	10,40,01,493
Total Income		5,05,15,70,436	3,41,00,27,971
II. Expenses			
Employee benefit expenses	17	1,30,50,21,117	76,86,59,797
Depreciation and amortisation expense	21	5,59,44,181	3,18,82,454
Finance costs	18	2,24,17,77,486	1,73,43,90,023
Provisions and write off	22	14,53,43,258	49,13,31,496
Other expenses	19	41,63,79,997	24,62,47,808
Total Expenses		4,16,44,66,039	3,27,25,11,578
Profit before tax		88,71,04,397	13,75,16,393
Tax expense			
- Current tax		30,29,18,842	9,66,02,217
- Deferred tax credit		17,99,603	(5,45,41,579)
Total tax expenses		30,47,18,445	4,20,60,638
Profit for the year		58,23,85,952	9,54,55,755
Earning per equity share (EPS)	25		
Basic		10.89	2.30
Diluted		9.68	2.07
Nominal value of share		10.00	10.00

Summary of significant accounting policies

2.1

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S.R.Batliboi & Co. LLP

Firm Registration No.301003E/E300005

Chartered Accountants

per Sanjay Kumar Agarwal

Partner

Membership No.: 060352



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

Gobinda Chandra Pattanaik

Gobinda Chandra Pattanaik
Managing Director

Dibyajyoti Pattanaik

Dibyajyoti Pattanaik
Director

Subrata Pradhan

Subrat Pradhan
Company Secretary

Satyajit Das

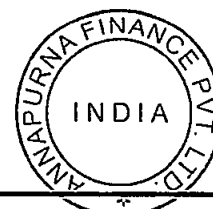
Satyajit Das
Chief Financial Officer

Place: Kolkata

Date: June 24, 2019

Place: Amsterdam

Date: June 21, 2019



Annapurna Finance Private Limited (Formerly Annapurna Microfinance Private Limited)
Cash Flow Statement for the year ended March 31, 2019

Particulars	March 31, 2019 (Rs.)	March 31, 2018 (Rs.)
A. Cash flow from operating activities		
Profit before tax	88,71,04,397	13,75,16,393
Adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortisation expense	5,59,44,181	3,18,82,454
Provisions and write offs	14,53,43,258	49,13,31,495
Profit on sale of current investments	(4,86,04,731)	(9,10,00,939)
Management stock option compensation	5,35,60,024	1,23,80,750
Operating profit before working capital changes	1,09,33,47,129	58,21,10,153
Movements in working capital:		
Increase in other current and non-current assets	(15,33,32,245)	(2,45,37,768)
Increase in loans and advances	(9,49,75,57,864)	(5,71,84,46,993)
Increase / (decrease) in other long term liabilities, current liabilities and provisions	30,33,25,946	18,49,79,866
Cash generated from operations	(8,25,42,17,034)	(4,97,58,94,742)
Direct taxes paid	(34,77,47,844)	(11,88,62,948)
Net cash used in operating activities (A)	(8,60,19,64,878)	(5,09,47,57,690)
B. Cash flow from investing activities		
Purchase of fixed assets	(11,56,52,007)	(4,88,81,964)
Increase in fixed deposits (net)	(79,11,96,009)	(45,82,55,697)
Profit on sale of current investments	4,86,04,731	9,10,00,939
Net cash used in investing activities (B)	(85,82,43,285)	(41,61,36,723)
C. Cash flow from financing activities		
Proceeds from issuance of equity share capital	2,90,14,71,058	60,57,95,465
Proceeds from long-term and short-term borrowings	14,01,86,22,888	9,35,03,34,446
Repayment of long-term and short-term borrowings	(5,56,80,70,701)	(5,56,80,70,702)
Dividend paid on preference shares (including dividend distribution tax)	(8,31,868)	(20,76,209)
Net cash from financing activities (C)	11,35,11,91,377	4,38,59,83,000
Net increase in cash and cash equivalents (A+B+C)	1,89,09,83,214	(1,12,49,11,413)
Cash and cash equivalents at the beginning of the year	2,70,27,88,053	3,82,76,99,466
Cash and cash equivalents at the end of the year	4,59,37,71,267	2,70,27,88,053
Components of cash and cash equivalents:		
Balances with banks:		
on current accounts	2,42,32,03,683	2,51,84,47,910
deposit with original maturity of less than three months	2,15,35,13,195	18,00,00,000
Cash on hand	1,70,54,389	43,40,142
Total cash and cash equivalents (Note 14)	4,59,37,71,267	2,70,27,88,052

Summary of significant accounting policies

2.1



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

As per our report of even date

For S.R.Batliboi & Co. LLP

Firm Registration No.301003E/E300005

Chartered Accountants

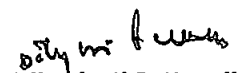


per Sanjay Kumar Agarwal


Partner

Membership No.: 060352

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

Gobinda Chandra Pattanaik
Managing Director


Dibyajyoti Pattanaik
Director


Subrat Pradhan
Company Secretary


Satyajit Das
Chief Financial Officer

 Place: Kolkata
Date: June 24, 2019

 Place: Amsterdam
Date: June 21, 2019


Annapurna Finance Private Limited (formerly Annapurna Microfinance Private Limited)

Notes to the Financial Statements as at and for the year ended March 31, 2019

1. Corporate information

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

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

2. Basis of preparation

The financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013 ("the Act"), read together with Rule 7 of the Companies (Account) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016, provisions of the RBI applicable as per Master Directions - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued vide Notification No. DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016, as amended from time to time ('the NBFC Master Directions, 2016') and other applicable clarifications provided by the RBI.

The financial statements have been prepared under the historical cost convention on an accrual basis except interest on non-performing loans that are recognized on realization. The accounting policies applied by the Company are consistent with those applied in the previous year.

2.1. Summary of significant accounting policies

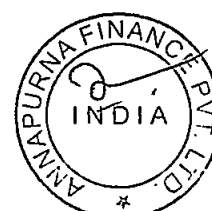
a. Use of estimates

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

b. Revenue recognition

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

- i. Interest income on portfolio loans is recognized in the Statement of Profit and Loss on a time proportion basis taking into account the amount outstanding and the rates applicable, except in the case of non-performing assets ("NPA's") where it is recognized, upon realization, as per the relevant prudential norms prescribed by RBI. Any such income recognized before the asset became non-performing and remaining unrealized are reversed.
- ii. Profit/premium arising at the time of securitization of loan portfolio is amortized over the life of the underlying loan portfolio/securities and any loss arising therefrom is accounted for immediately. Income from excess interest spread is recognized in the statement of profit and loss account net of any losses at the time of actual receipt.



- iii. Interest income on deposits with banks and financial institutions is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
- iv. Processing fees are recognized as income upfront when it becomes due.
- v. Income from services rendered in connection with loans given on behalf of banks to self-help groups and joint liability groups organized / monitored by the Company are recognized on accrual basis as and when such services are rendered.
- vi. All other income is recognized on an accrual basis.

c. Tangible assets

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

d. Intangible assets

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

e. Depreciation

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

Software are amortized over a period of three years.

f. Impairment of fixed assets

The carrying amounts of assets are reviewed at each balance sheet date to determine if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount which is the greater of the asset's net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessment of the time value of money and risks specific to the asset. In determining the net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

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

g. Investments

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

Current investments are carried in the financial statement at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of investment, the difference between the carrying amount and net disposal proceeds are charged or credited to the statement of profit and loss.

h. Borrowing costs



Borrowing costs includes interests which are recognized on time proportion basis taking into account the amount outstanding and the rate applicable on the borrowings. Processing fees and ancillary fees incurred for arrangement of borrowings from banks and financial institutions are charged off up-front to the statement of profit and loss.

i. Foreign currency transactions

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

j. Retirement and other employee benefits

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

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

Accumulated leaves are provided for based on actuarial valuation made on projected unit credit method made at the end of each year. Actuarial gains and losses are recognized in full in the year in which they occur in the statement of profit and loss.

k. Income taxes

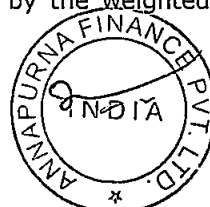
Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961.

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

Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. If the Company has carried forward unabsorbed depreciation or tax losses, all deferred tax assets are recognized only if there is a virtual certainty supported by convincing evidence that sufficient taxable income will be available in future against which such deferred tax assets can be realized. At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax assets to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax assets can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available.

l. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividend and attributable taxes) by the weighted average number of equity shares outstanding during the year.



For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

m. Provisions & Contingent Liabilities:

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

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

n. Cash and cash equivalents

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

o. Share based payments

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

p. Classification of loan portfolio

Loans are classified as follows:

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

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

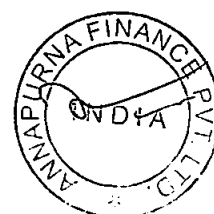
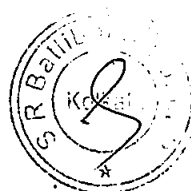
The above classification is in accordance with the NBFC Master Directions, 2016 for Non-Banking Financial Company – Micro Finance Institutions (NBFC-MFIs).

q. Provisioning on loan portfolio

Provision on portfolio loans are made at the higher of management estimate or minimum provision required as per Master Direction - Non-Banking Financial Company –Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016, as amended from time to time.

The Company is making provision on loan portfolio at higher of:

- i) 1% of the outstanding portfolio or,
- ii) 50% of the aggregate loan outstanding overdue for more than 90 days and 100% of the aggregate loan outstanding overdue for 180 days or more.



The provision policy applied by the Company on non-performing assets is higher than the RBI requirement of minimum provision on overdue installment.

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

Provision for overdue portfolio loans in relation to direct assignment transactions is made on the basis of risk sharing percentage between the originator and the assignee.

Overdue loans are written-off, when the prospect for recovery is considered remote as per management estimate.

For the loan portfolio classified as non-qualifying, the provision is made as per the NBFC Master Directions, 2016 as amended from time to time.

The Company is making provision on loan portfolio at higher of:

- i) 0.40% of the standard portfolio or,
- ii) 10% of the aggregate loan outstanding overdue for more than 90 days and 10% of the aggregate loan outstanding overdue for 180 days or more.

r. Grants

Grants and subsidies from the government are recognized when there is reasonable assurance that (i) the company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

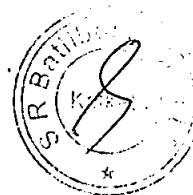
When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Such grants are either be shown separately under 'other income' or deducted in reporting the related expense. Where the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset.

s. Lease

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

t. Corporate Social Responsibility (CSR) expenditure

Expenditure incurred towards CSR is charged to the statement of profit and loss in the year in which they are incurred.



Share capital	March 31, 2019 (Rs.)	March 31, 2018 (Rs.)
Authorized Shares 8,30,00,000 (March 31, 2018: 5,10,00,000) equity shares of Rs.10/- each	83,00,00,000	51,00,00,000
30,00,000 (March 31, 2018: 50,00,000) preference shares of Rs.10/-each	3,00,00,000	5,00,00,000
Issued, subscribed and fully paid-up shares 6,86,99,648 (March 31, 2018: 4,30,21,408) equity shares of Rs.10/- each	68,69,96,480	43,02,14,080
30,00,000 (March 31, 2018: 30,00,000) 0.0001% Compulsory Convertible Preference Shares (CCPS) of Rs.10/- each	3,00,00,000	3,00,00,000
Total issued, subscribed and fully paid-up share capital	71,69,96,480	46,02,14,080

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

	March 31, 2019		March 31, 2018	
Equity shares	Number	(Rs.)	Number	(Rs.)
Outstanding at the beginning of the year	4,30,21,408	43,02,14,080	3,63,49,218	36,34,92,180
Issued during the year	2,56,78,240	25,67,82,400	66,72,190	6,67,21,900
Shares outstanding at the end of the year	6,86,99,648	68,69,96,480	4,30,21,408	43,02,14,080

	March 31, 2019		March 31, 2018	
9% Optionally Convertible Preference Shares	Number	(Rs.)	Number	(Rs.)
Outstanding at the beginning of the year	-	-	10,00,000	1,00,00,000
Issued during the year	-	-	-	-
Converted during the year	-	-	10,00,000	1,00,00,000
Shares outstanding at the end of the year	-	-	-	-

	March 31, 2019		March 31, 2018	
0.01% Compulsory Convertible Preference Shares	Number	(Rs.)	Number	(Rs.)
Outstanding at the beginning of the year	-	-	-	-
Issued during the year *	1,44,21,938	14,42,19,380	-	-
Converted to equity shares during the year *	1,44,21,938	14,42,19,380	-	-
Shares outstanding at the end of the year	-	-	-	-

	March 31, 2019		March 31, 2018	
0.0001% Compulsory Convertible Preference Shares	Number	(Rs.)	Number	(Rs.)
Outstanding at the beginning of the year	30,00,000	3,00,00,000	30,00,000	3,00,00,000
Issued during the year	-	-	-	-
Shares outstanding at the end of the year	30,00,000	3,00,00,000	30,00,000	3,00,00,000

A. Terms/rights attached to equity shares

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

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

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

B. Terms of conversion/redemption of preference shares

The Company has issued compulsory convertible preference shares (CCPS) of Rs. 3 crores (having face value of Rs. 10/- each) to AIDS Awareness Trust of Orissa. CCPS are convertible into equity at face value as per shareholders' agreement.

*The Company has issued 1,44,21,938 nos compulsory convertible preference shares (CCPS) @ Rs.10 each at a premium of Rs.97.48 per share, carrying a coupon rate of 0.01%. These CCPS were converted into 1,39,88,538 nos of equity shares on 21st August 2018.

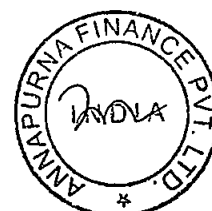
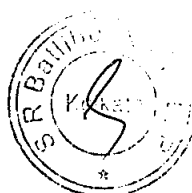
C. Details of shareholders holding more than 5% shares in the Company

	March 31, 2019		March 31, 2018	
Name of shareholder	No. of Shares held	% of Holding in the class	No. of Shares held	% of Holding in the class
Equity Shares of Rs.10 each fully paid				
Gobinda Chandra Pattanalk	67,60,343	9.84%	62,92,731	14.63%
RIF East 2 (Investor)	-	-	27,68,497	6.44%
Belgian Investment Company for Developing Countries NV - SA (Investor)	95,27,723	13.87%	95,27,723	22.15%
SIDBI Trustee Company Limited A/c ("Samridhi Fund") (Investor)	-	-	56,01,853	13.02%
Oikocredit Ecumenical Development Cooperative Society U.A. (Investor)	75,40,536	10.98%	64,78,589	15.06%
Women's World Banking Capital Partners, LP	58,00,000	8.44%	58,00,000	13.48%
Bamboo Financial Inclusions Fund II	46,45,695	6.76%	34,06,757	7.92%
Oman India Investment Fund	1,80,48,942	26.27%	-	-
Asian Development Bank	1,16,88,702	17.01%	-	-
Total	6,40,11,941	93.18%	3,98,76,150	92.69%
Compulsory Convertible Preference Shares of Rs. 10 each fully paid				
Pratap Chandra Dash on behalf of AIDS Awareness Trust of Orissa	30,00,000	100.00%	30,00,000	100.00%
Total	30,00,000	100.00%	30,00,000	100.00%

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

D. Shares reserved for issue under options

- For details of shares reserved for issue under the management stock option plan (MSOP) and employee stock option (ESOP) of the Company, please refer Note 27.
- For detail of shares reserved for issue on conversion of preference shares, refer note 3 (B) regarding terms of conversion of preference shares.



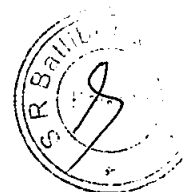
Annapurna Finance Private Limited (formerly Annapurna Microfinance Private Limited)
Notes to the Financial Statements as at and for the year ended March 31, 2019

4	Reserves and surplus	March 31, 2019	March 31, 2018
		(Rs.)	(Rs.)
A. Securities premium account	Balance as per last year's financial statements	1,37,71,46,252	82,80,72,688
	Add: Addition during the year	2,66,97,39,604	55,52,30,274
	Less: Share/debenture issue expenses	2,50,50,946	61,56,710
	Closing Balance	4,02,18,34,910	1,37,71,46,252
B. Stock options outstanding	Gross management stock compensation for options granted in earlier years (Refer Note 27)	3,70,59,588	2,46,78,838
	Add: gross compensation for options granted during the year*	5,35,60,024	1,23,80,750
	Closing Balance	9,06,19,612	3,70,59,588
C. Statutory reserve	Balance as per last financial statements	11,29,76,545	9,38,85,394
	Add: Amount transferred from surplus balance in the Statement of Profit & Loss during the year	11,64,77,190	1,90,91,151
	Closing Balance	22,94,53,735	11,29,76,545
D. Capital Redemption Reserve (In respect of preference shares converted)	Balance as per last financial statements	2,00,00,000	1,00,00,000
	Add : Addition	-	1,00,00,000
	Closing Balance	2,00,00,000	2,00,00,000
E. Surplus in the Statement of Profit and Loss	Balance as per last financial statements	41,90,89,180	35,35,52,587
	Profit for the year	58,23,85,952	9,54,55,755
	Less: Appropriations		
	Transferred to Statutory Reserve	11,64,77,190	1,90,91,151
	Transferred to Capital Redemption Reserve	-	1,00,00,000
	Preference Dividend	3,225	6,87,945
	Tax on Preference Dividend	663	1,40,066
	Total Appropriations	11,64,81,078	2,99,19,162
	Net surplus in the Statement of profit and loss	88,49,94,054	41,90,89,180
	Total	5,24,69,02,311	1,96,62,71,565

* Gross compensation for option granted during the year includes earlier year expenses of Rs. 29,000,319/- related to Management Stock Option Plan (MSOP) A & B.

5	Long-term borrowings	Non Current Portion		Current Portion	
		March 31, 2019 (Rs.)	March 31, 2018 (Rs.)	March 31, 2019 (Rs.)	March 31, 2018 (Rs.)
A. Debentures (privately placed)	Secured				
	- from Financial Institutions 12.49% - 14.75% Redeemable Non-Convertible Debentures of Rs. 10,00,000/- each	4,88,64,00,000	1,52,80,00,000	54,90,00,000	1,65,64,00,000
	- from Non banking finance companies (NBFCs) 11.84% - 15.50% Redeemable Non-Convertible Debentures of Rs. 10,00,000/- each	2,00,00,000	37,00,00,000	35,00,00,000	-
	Unsecured				
	- from NBFCs (subordinated)	1,04,00,00,000	1,04,00,00,000	-	-
	- from NBFCs	-	-	27,78,00,000	-
	B. Term loans				
	Secured				
	- from Banks	4,39,05,16,567	2,68,17,15,295	6,63,60,33,776	3,82,35,50,474
	- from NBFCs	99,33,06,229	1,12,29,67,857	94,55,51,684	1,11,93,85,545
	- from Financial Institutions (FIs)	2,04,66,15,000	1,18,33,31,000	1,57,92,37,000	96,99,70,000
	Unsecured				
	- from NBFCs (subordinated)	35,00,00,000	35,00,00,000	-	-
	- from NBFCs		12,20,73,389	11,50,22,879	11,50,22,879
	- from Financial Institutions (FIs)	14,50,00,000	-	-	-
C. Vehicle loans	Secured				
	- from Banks*	2,88,975	15,01,669	9,31,308	12,33,124
Total		13,87,21,26,771	8,39,95,89,210	10,45,35,76,647	7,68,55,62,022
Above amount includes					
Secured		12,33,71,26,771	6,88,75,15,821	10,06,07,53,768	7,57,05,39,143
Unsecured		1,53,50,00,000	1,51,20,73,389	39,28,22,879	11,50,22,879
Amount disclosed under the head "other current liabilities" (Refer Note 8)		-	-	(10,45,35,76,647)	(7,68,55,62,022)
Total		13,87,21,26,771	8,39,95,89,210	-	-

*Vehicle loans are secured against hypothecation of vehicles purchase against such loans and are repayable in equated monthly instalments carrying Interest rate ranging from 8.50% - 9.50% p.a.



5A Long-term borrowings (Contd.)

Terms of repayment of Debentures & Term Loans as on March 31, 2019

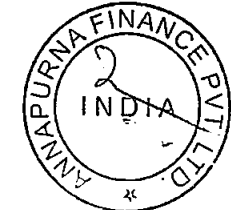
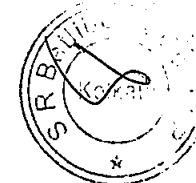
Original maturity of loan	Due within 1 year		Due between 1 to 2 years		Due between 2 to 3 Years		Due between 3 to 5 Years		Above 5		Interest Rate	Total
	No. of Instalments	Amount (In Rupees)	No. of Instalments	Amount (In Rupees)	No. of Instalments	Amount (In Rupees)	No. of Instalments	Amount (In Rupees)	No. of Instalments	Amount (In Rupees)		
Non-Convertible Debentures												
Bullet repayment schedule												
From FIs:												
Above 3 Yrs.	2	54,90,00,000	3	78,40,00,000	5	1,26,74,00,000	3	1,32,50,00,000	2	70,00,00,000	12.49%-14.75%	4,62,54,00,000
1-3 Yrs.			2	46,00,00,000	1	35,00,00,000					12.2% - 13.6%	81,00,00,000
From NBFCs:												
Above 3 Yrs.			2	7,00,00,000	2	25,00,00,000	3	74,00,00,000			13.50%-17.00%	1,06,00,00,000
1-3 Yrs.	1	35,00,00,000									11.84%	35,00,00,000
Monthly repayment schedule												
From NBFCs:												
1-3 Yrs.	16	27,78,00,000									12.11%	27,78,00,000
Term Loans												
Monthly repayment schedule												
From Banks:												
1-3 Yrs.	328	3,34,70,06,339	151	1,78,30,85,794							10.5%-12.55%	5,13,00,92,133
Above 3 Yrs.	57	16,88,04,274	37	11,13,10,164	5	1,66,51,673					11.60%-13.65%	29,67,66,111
From FIs:												
1-3 Yrs.	60	1,12,12,37,000	46	91,88,35,000	21	33,57,80,000					6.95%-12.50%	2,37,58,52,000
From NBFCs:												
1-3 Yrs.	121	89,05,74,563	58	30,03,06,229							10.90%-16.50%	1,19,08,80,792
Quarterly repayment schedule												
From Banks:												
1-3 Yrs.	114	3,07,02,23,163	64	2,00,61,10,059	15	37,41,92,208	1	2,41,66,669			9.85%-12.50%	5,47,46,92,098
Above 3 Yrs.	4	5,00,00,000	4	5,00,00,000	2	2,50,00,000					11.50%	12,50,00,000
Bullet repayment schedule												
From NBFCs:												
1-3 Yrs.	1	17,00,00,000									12.35%	17,00,00,000
Above 3 Yrs.					4	79,30,00,000	1	25,00,00,000			10.15%-16.5%	1,04,30,00,000
From FIs:												
1-3 Yrs.					1	14,50,00,000					12.10%	14,50,00,000
Half Yearly repayment schedule												
From FIs:												
Above 3 Yrs.	6	45,80,00,000	6	40,60,00,000	6	28,10,00,000	6	10,50,00,000			10.95%-11.5%	1,25,00,00,000
Grand Total	710	10,45,26,45,340	373	6,88,96,47,247	62	3,83,80,23,881	14	2,44,41,66,669	2	70,00,00,000		24,32,44,83,136

1. The non-convertible debentures of Rs 5,80,54,00,000 are secured by way of exclusive charge on all receivables from underlying portfolio loans. Debentures of Rs 1,00,00,00,000 (March 31, 2018: Rs 2,456,400,000) are also further secured by pari passu charge charge on the land of the Company situated at Sriperumbudur Taluk, Kancheepuram District.

2. Includes outstanding debenture of Rs. 2,33,78,00,000 wherein debenture holders / company have the option to exercise the following redemption date:
- Rs. 46,00,00,000 at the end of 24 months (15th November, 2020), if put/call option exercised, other wise 100% at the end of 48 months (15th November, 2022).
 - Rs.100,00,00,000 at the end of 24 months (1st March 2021), if put/call option exercised, other wise 100% at the end of 48 months (1st March 2023).
 - Rs.27,78,00,000 after completion of 6 months from the date of allotment(20th May 2019), if put option exercised.
 - Rs.30,00,00,000 at the end of 36 months (18th December 2021) and 72 months (18th December 2024) , if call/put option exercised.
 - Rs.30,00,00,000 at the end of 36 (19th December 2021) and 72 months (19th December 2024) , if call/put option exercised.

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

4. The term loans are also guaranteed by the promoter directors of the Company, Rs 2,57,32,84,317 as on 31st March, 2019 (March 31, 2018: Rs. 4,17,99,27,128) . .



5B Long-term borrowings (Contd.)

Terms of repayment of Debentures & Term Loans as on March 31, 2018

Original maturity of loan	Due within 1 year		Due between 1 to 2 years		Due between 2 to 3 Years		Due between 3 to 5 Years		Above 5		Interest Rate	Total
	No. of Instalments	Amount (In Rupees)	No. of Instalments	Amount (In Rupees)	No. of Instalments	Amount (In Rupees)	No. of Instalments	Amount (In Rupees)	No. of Instalments	Amount (In Rupees)		
Non-Convertible Debentures												
Bullet repayment schedule												
From FIs:												
Above 3 Yrs.	6	1,26,04,00,000	1	21,90,00,000	3	78,40,00,000	1	20,00,00,000	1	32,50,00,000	12.49%-14.75%	2,78,84,00,000
1-3 Yrs.	1	39,60,00,000	-	-	-	-	-	-	-	-	13.60%	39,60,00,000
From NBFCs:												
Above 3 Yrs.	-	-	-	-	1	7,00,00,000	3	50,00,00,000	2	49,00,00,000	13.50%-17.00%	1,06,00,00,000
1-3 Yrs.	-	-	1	35,00,00,000	-	-	-	-	-	-	11.84%	35,00,00,000
Term Loans												
Monthly repayment schedule												
From Banks:												
1-3 Yrs.	312	2,23,53,26,679	146	1,25,47,16,657	20	19,42,95,398	-	-	-	-	10.5%-12.95%	3,68,43,38,736
Above 3 Yrs.	83	21,73,47,951	57	16,88,00,278	37	11,14,30,308	5	1,66,63,670	-	-	11.60%-13.70%	51,42,42,207
From FIs:												
1-3 Yrs.	32	49,99,70,000	23	48,33,31,000	10	25,00,00,000	-	-	-	-	11.95%-12.50%	1,23,33,01,000
From NBFCs:												
1-3 Yrs.	146	1,19,69,08,424	58	80,23,13,972	12	27,27,27,273	-	-	-	-	6.95%-16.5%	2,27,19,49,669
Quarterly repayment schedule												
From Banks:												
1-3 Yrs.	68	1,30,83,75,844	33	69,26,27,166	10	11,81,81,818	-	-	-	-	9.80%-12.50%	2,11,91,84,828
Above 3 Yrs.	5	6,25,00,000	4	5,00,00,000	4	5,00,00,000	2	2,50,00,000	-	-	11.50%	18,75,00,000
From NBFCs:												
1-3 Yrs.	2	3,75,00,000	-	-	-	-	-	-	-	-	12.25%	3,75,00,000
Bullet repayment schedule												
From NBFCs:												
1-3 Yrs.	-	-	1	17,00,00,000	-	-	-	-	-	-	12.35%	17,00,00,000
Above 3 Yrs.	-	-	-	-	-	-	2	10,00,00,000	1	25,00,00,000	13.5%-16.5%	35,00,00,000
From FIs:												
Half Yearly repayment schedule												
From FIs:												
1-3 Yrs.	2	20,00,00,000	-	-	-	-	-	-	-	-	11.50%	20,00,00,000
Above 3 Yrs.	4	27,00,00,000	4	21,80,00,000	4	16,60,00,000	6	6,60,00,000	-	-	10.95%-11.5%	72,00,00,000
Grand Total		7,68,43,28,899		4,40,87,89,072		2,01,66,34,798		90,76,63,670		1,06,50,00,000		16,08,24,16,440

1. The above non-convertible debentures are secured by way of exclusive charge on all receivable from underlying portfolio loans. Debentures of Rs 2,45,64,00,000 (March 31, 2017: Rs 1,18,14,00,000) are also further secured by pari passu charge on the land of the Company situated at Sripurumbudur Taluk, Kancheepuram District.

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

i) 25% (Rs. 7,30,00,000) of the outstanding amount by November 13, 2018 and the remaining balance (Rs. 21,90,00,000) by May 13, 2019.

(b) Includes outstanding debenture of Rs. 1,50,64,00,000 wherein debenture holders/company have the option to exercise the following redemption date :

i) Rs. 38,40,00,000 of the outstanding principal amount by May 29, 2018 if put/call option is exercised and and May 29, 2020 if put/call option is not exercised.

ii) Rs. 33,00,00,000 at the end of 3 years (September 13, 2018), if put/call option exercised, other wise 100% at the end of 4 years (September 13, 2019).

iii) Rs. 26,70,00,000 of the outstanding principal amount by December 10, 2018 if put/call option is exercised, otherwise by December 20, 2021.

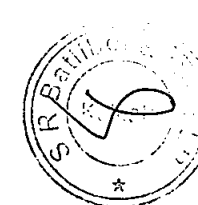
iv) Rs. 20,04,00,000 by December 8, 2018, if put/call option exercised, other wise 100% by December 8, 2021.

v) Rs. 32,50,00,000 of the outstanding principal amount by August 30, 2020 if put/call option is exercised and August 30, 2023 if put/call option is not exercised.

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

3. Term loans are also guaranteed by the promoter directors of the Company, Rs 4,17,99,27,128 as on 31st March, 2018 (March 31, 2017: Rs. 4,63,14,56,946).

4. Includes outstanding debenture of Rs. 87,04,00,000 classified as current "due within 1 year", due to the put option available with the debenture holders.



Annapurna Finance Private Limited (formerly Annapurna Microfinance Private Limited)
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6	Short-term borrowings	Current Portion	
		March 31, 2019 (Rs.)	March 31, 2018 (Rs.)
	Term loans Secured - from Banks	99,00,00,000	78,00,00,000
	Total	99,00,00,000	78,00,00,000

Short-term borrowings are secured by hypothecation of portfolio loans and margin money deposits as per hypothecation loan agreements. The interest rate ranging from 10.25% to 11.00% p.a.

7	Provisions	Non Current Portion		Current Portion	
		March 31, 2019 (Rs.)	March 31, 2018 (Rs.)	March 31, 2019 (Rs.)	March 31, 2018 (Rs.)
A.	Provision for portfolio loans				
	On standard assets	-	-	95,52,921	8,14,446
	On non performing assets	29,30,03,934	28,35,24,380	-	-
		29,30,03,934	28,35,24,380	95,52,921	8,14,446
B.	Others				
	Provision for securitized and managed portfolio	-	-	87,49,993	2,97,04,101
	Provision for gratuity	-	-	1,17,15,445	-
	Provision for leave encashment	-	-	1,29,19,317	42,49,610
		-	-	3,33,84,755	3,39,53,711
	Total	29,30,03,934	28,35,24,380	4,29,37,676	3,47,68,157

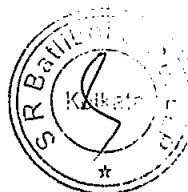
8	Other liabilities	Non Current Portion		Current Portion	
		March 31, 2019 (Rs.)	March 31, 2018 (Rs.)	March 31, 2019 (Rs.)	March 31, 2018 (Rs.)
	Current maturities of long-term borrowings (Refer Note 5)	-	-	10,45,35,76,647	7,68,55,62,022
	Interest accrued but not due on borrowings	-	-	24,28,17,007	19,15,63,300
	Payable for portfolio loan securitised	-	-	55,97,75,317	28,47,23,653
	Salary payable	-	-	7,77,67,835	4,54,42,363
	Dividend on preference shares	-	-	25	6,87,945
	Dividend distribution tax payable	-	-	5	1,40,066
	Statutory dues payable	-	-	1,83,00,631	93,52,723
	Insurance premium payable	-	-	9,71,34,186	6,81,00,437
	Other payables	-	-	6,07,52,224	2,63,44,593
	Total	-	-	11,51,01,23,877	8,31,19,17,102

11	Deferred tax assets / (liabilities) (net)	March 31, 2019 (Rs.)	March 31, 2018 (Rs.)
	Deferred tax assets		
	Provision on portfolio and securitised/managed loans	7,95,66,429	9,58,98,017
	Fixed assets: Impact of difference between tax depreciation and depreciation charged for the financial reporting	1,58,34,368	89,35,794
	Impact of expenditure charged to the statement of profit and loss but allowed for tax purposes on payment basis	1,18,32,693	41,99,282
	Net deferred tax assets / (liabilities)	10,72,33,490	10,90,33,093

12	Loans and advances (Unsecured, considered good unless stated otherwise)	Non-Current Portion		Current Portion	
		March 31, 2019 (Rs.)	March 31, 2018 (Rs.)	March 31, 2019 (Rs.)	March 31, 2018 (Rs.)
A.	Portfolio loans*				
	Considered good	8,06,43,47,764	4,32,54,15,639	16,70,66,75,386	10,99,24,58,981
	Considered doubtful	31,75,09,550	33,08,90,267	-	-
		8,38,18,57,314	4,65,63,05,906	16,70,66,75,386	10,99,24,58,981
B.	Advances recoverable in cash or kind	-	-	3,98,06,900	2,81,94,686
		-	-	3,98,06,900	2,81,94,686
C.	Security Deposit	12,50,000	12,53,000	1,53,89,696	99,09,230
		12,50,000	12,53,000	1,53,89,696	99,09,230
D.	Others				
	Capital Advance	1,00,00,000	-	-	-
	Prepaid expenses	38,87,714	10,72,090	3,54,44,571	1,94,99,266
	Loan to staff	67,89,925	16,34,939	2,28,25,579	60,41,127
	Margin Money with non banking financial companies and financial Institutions (marked as lien towards term loans availed)	8,96,66,334	6,89,36,192	5,03,42,353	3,37,13,641
	Advance Income tax (Net of Provision Rs. 39,95,21,059 (March 31, 2018, Rs 26,37,19,042/-))	7,40,53,243	69,63,510	-	2,22,60,731
		18,43,97,216	7,86,06,731	10,86,12,503	8,15,14,765
	Total	8,56,75,04,530	4,73,61,65,637	16,87,04,84,485	11,11,20,77,662

* (I) portfolio loans include secured loans of Rs.47,14,14,316 /- (March 31, 2018: 39,86,888/-).It includes Rs 57,58,05,497 in respect of Minimum Retention Requirement (MRR) on securitisation transactions (March 31, 2018 : Rs 33,19,58,086)

(II) Includes portfolio of Rs 28,51,76,270 which has been purchased from other originator out of which portfolio of Rs 1,97,38,023 is secured.



Annapurna Finance Private Limited (formerly Annapurna Microfinance Private Limited)
Notes to the Financial Statements as at and for the year ended March 31 2019

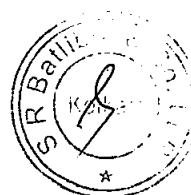
9. TANGIBLE ASSETS

(Amount in Rs.)

Particulars	Furniture & Fixtures	Computers	Office Equipments	Vehicles	Freehold Land	Total
At 31st March 2017	2,30,36,499	2,75,81,174	2,24,54,513	81,72,393	13,50,800	8,25,95,379
Additions	1,00,27,530	1,47,17,366	1,12,96,915	10,74,743	-	3,71,16,554
Disposals	-	-	-	-	-	-
At 31st March 2018	3,30,64,029	4,22,98,540	3,37,51,428	92,47,136	13,50,800	11,97,11,933
Additions	2,24,69,913	3,14,08,441	3,40,37,000	23,59,530	-	9,02,74,884
Disposals	-	-	-	-	-	-
At 31st March 2019	5,55,33,942	7,37,06,981	6,77,88,428	1,16,06,666	13,50,800	20,99,86,817
Depreciation						
At 31st March 2017	89,22,635	1,88,23,066	1,20,21,105	33,98,620	-	4,31,65,426
Charge For the Period	48,55,972	99,16,604	82,42,855	15,60,956	-	2,45,76,388
Disposals	-	-	-	-	-	-
At 31st March 2018	1,37,78,607	2,87,39,670	2,02,63,960	49,59,576	-	6,77,41,814
Charge For the Period	80,51,754	1,87,39,446	1,43,44,025	15,02,743	-	4,26,37,968
Disposals	-	-	-	-	-	-
At 31st March 2019	2,18,30,361	4,74,79,116	3,46,07,985	64,62,319	-	11,03,79,781
Net Block						
At 31st March 2018	1,92,85,422	1,35,58,870	1,34,87,468	42,87,560	13,50,800	5,19,70,119
At 31st March 2019	3,37,03,581	2,62,27,865	3,31,80,443	51,44,347	13,50,800	9,96,07,036

10. INTANGIBLE ASSETS

Software	Amount (Rs)
At 31st March 2017	1,61,87,125
Additions	1,17,65,411
Disposals	-
At 31st March 2018	2,79,52,536
Additions	1,53,77,122
Disposals	-
At 31st March 2019	4,33,29,658
Ammortization	
At 31st March 2017	70,96,799
Charge For the Period	73,06,066
Disposals	-
At 31st March 2018	1,44,02,865
Charge For the Period	1,33,06,213
Disposals	-
At 31st March 2019	2,77,09,078
Net Block	
At 31st March 2018	1,35,49,671
At 31st March 2019	1,56,20,580



Annapurna Finance Private Limited (formerly Annapurna Microfinance Private Limited)
Notes to the Financial Statements as at and for the year ended March 31, 2019

13 Other assets (Unsecured, considered good unless stated otherwise)	Non-Current Portion		Current Portion	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Non current bank balances (Refer Note 14)	82,48,05,217	87,35,89,353	-	-
	82,48,05,217	87,35,89,353	-	-
Others				
Interest accrued but not due on portfolio loans	-	-	31,96,21,153	22,10,52,034
Interest accrued but not due on deposits placed with banks and financial institutions	2,16,12,412	1,23,21,328	5,93,61,683	3,56,53,444
Other Receivables (Net of Provision - Rs.2,57,32,764/-) (March 31, 2018 : 1,52,56,656/-)*	-	-	4,75,10,775	2,57,46,971
	2,16,12,412	1,23,21,328	42,64,93,611	28,24,52,449
Total	84,64,17,629	88,59,10,681	42,64,93,611	28,24,52,449

*represents Insurance claims in respect of dues from deceased borrowers

14 Cash and bank balances	Non-Current Portion		Current Portion	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Cash and cash equivalents				
Balances with banks:				
-on current accounts	-	-	2,42,32,03,683	2,51,84,47,910
-deposit with original maturity of less than three months	-	-	2,15,35,13,195	18,00,00,000
Cash on hand	-	-	1,70,54,389	43,40,142
	-	-	4,59,37,71,267	2,70,27,88,052
Other bank balances				
Deposit with original maturity for more than 3 months but not more than 12 months	5,55,07,344	13,63,51,548	66,84,84,739	12,84,99,771
Deposit with original maturity of not less than 12 months	76,92,97,873	73,72,37,805	47,64,73,682	21,38,37,359
	82,48,05,217	87,35,89,353	1,14,49,58,421	34,23,37,130
Amount disclosed under non-current assets (Refer Note 13)	(82,48,05,217)	(87,35,89,353)	-	-
Total	-	-	5,73,87,29,688	3,04,51,25,182

Note:

Includes deposit certificates of Rs. 1,58,67,22,325/- (March 31, 2018: Rs. 1,21,59,26,483/-) marked as lien towards term loans availed from banks and financial institutions, towards cash collateral placed in connection with portfolio loan securitisation and business correspondent activities entered with banks.

15 Revenue from operations	Year ended March 31, 2019	Year ended March 31, 2018
	(Rs.)	(Rs.)
Interest income on portfolio loans	3,85,62,52,902	2,73,16,46,328
Upfront processing Fees	32,21,20,870	20,56,29,232
Income from securitisation	54,75,28,857	23,13,10,848
Service Fees Income (Refer Note No. 32)	6,12,62,480	6,77,76,666
Interest Income on fixed deposits with banks and others (pledged FDs)	8,95,86,805	6,96,63,404
Total	4,87,67,51,914	3,30,60,26,478

16 Other income	Year ended March 31, 2019	Year ended March 31, 2018
	(Rs.)	(Rs.)
Interest Income on fixed deposits with banks and others	8,09,50,593	1,06,07,242
Profit on sale of current investments	4,86,04,731	9,10,00,939
Liabilities no longer required	74,84,671	-
Miscellaneous income	3,77,78,527	23,93,312
Total	17,48,18,522	10,40,01,493

17 Employee benefit expenses	Year ended March 31, 2019	Year ended March 31, 2018
	(Rs.)	(Rs.)
Salaries and bonus	1,15,68,71,946	69,18,91,760
Contributions to provident fund and others*	5,54,53,597	4,26,85,234
Employee stock option compensation (Refer Note 27)	5,35,60,024	1,23,80,750
Gratuity expenses (Refer Note 26)	1,28,32,538	59,76,516
Staff welfare expenses	2,63,03,012	1,57,25,537
Total	1,30,50,21,117	76,86,59,797

* Contribution to Provident Fund is netted off with amount of Rs. 1,42,18,720/- received under the scheme "Pradhan Mantri Rojgar Protsahan Yojana" for the year ended March 31, 2019 (March 31, 2018 of Rs. 39,33,014/-)



Annapurna Finance Private Limited (formerly Annapurna Microfinance Private Limited)
Notes to the Financial Statements as at and for the year ended March 31, 2019

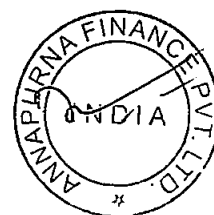
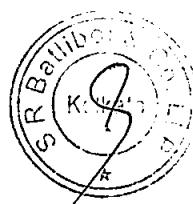
18	Finance costs	Year ended March 31, 2019	Year ended March 31, 2018
		(Rs.)	(Rs.)
	Interest expense	2,14,30,09,738	1,68,42,04,463
	Other borrowing costs	9,87,67,748	5,01,85,560
	Total	2,24,17,77,486	1,73,43,90,023

19	Other expenses	Year ended March 31, 2019	Year ended March 31, 2018
		(Rs.)	(Rs.)
	Rent on Building	8,06,68,674	4,63,90,808
	Rates and taxes	2,32,90,908	1,02,31,104
	Repairs & maintenance		
	- Office maintenance	1,14,09,147	1,36,68,357
	Office Expenses	3,32,63,994	1,76,55,870
	Director sitting fees	9,37,093	3,64,650
	Travelling and conveyance	3,54,10,595	2,42,21,251
	Communication expenses	2,26,80,050	1,97,74,592
	Printing & stationery	1,99,78,283	1,18,87,191
	Legal and professional fees	9,02,50,028	4,03,37,524
	Payment to auditors (Refer Note 20)	58,34,950	41,43,220
	Advertisement	5,45,856	15,65,351
	Training & meeting expenses	4,72,70,576	2,99,30,169
	Electricity charges	1,07,18,306	67,97,906
	Corporate Social Responsibility Expenses (Refer note 35)	49,18,284	2,76,736
	Miscellaneous expenses	2,92,03,253	1,90,03,079
	Total	41,63,79,997	24,62,47,808

20	Payment to auditors	Year ended March 31, 2019	Year ended March 31, 2018
		(Rs.)	(Rs.)
	As auditor:		
	Audit fee (excluding taxes)	55,00,000	40,00,000
	In other capacity		
	Other services (certification fees etc.)	-	-
	Reimbursement of expenses	3,34,950	1,43,220
	Total	58,34,950	41,43,220

21	Depreciation & amortisation expenses	Year ended March 31, 2019	Year ended March 31, 2018
		(Rs.)	(Rs.)
	Depreciation on tangible assets	4,26,37,968	2,45,76,388
	Amortisation on intangible assets	1,33,06,213	73,06,066
	Total	5,59,44,181	3,18,82,454

22	Provisions and write off	Year ended March 31, 2019	Year ended March 31, 2018
		(Rs.)	(Rs.)
	Provision against standard assets	87,38,475	(8,10,54,828)
	Provision for non-performing assets	94,79,554	26,35,65,566
	Portfolio loans and other balances written off	11,33,41,906	24,51,21,463
	Provision and loss on securitized / managed portfolio	(2,09,54,108)	(2,77,80,849)
	Payment made against the Managed Portfolio	2,42,61,323	8,74,09,671
	Provision for Insurance Claims in respect of dues from deceased borrowers	1,04,76,108	40,70,473
	Total	14,53,43,258	49,13,31,496



Annapurna Finance Private Limited (formerly Annapurna Microfinance Private Limited)
Notes to the financial statements as at and for the year ended March 31, 2019

23 Details of Securitised Portfolio and Income arising out of the same

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

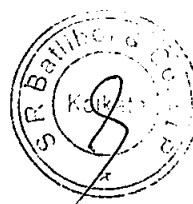
Particulars	Year ended March 31, 2019	Year ended March 31, 2018
	(Rs.)	(Rs.)
Total book value of the loans securitised during the year (A)	6,20,30,43,473	3,46,97,62,499
Sale consideration received for the loans securitised during the year (B)	6,20,30,43,473	3,46,97,62,499
Gain on securitisation (B-A)	-	-
Portfolio loan securitised and outstanding	4,38,06,83,511	2,80,52,44,883
Credit enhancements provided and outstanding:		
Principal subordination	68,61,75,836	35,01,56,423
Cash collateral	27,61,81,476	27,63,42,251
Income from asset securitisation recognised in the statement of profit and loss	54,75,28,857	23,13,10,848
The Company has transferred all the rights and obligations relating to above securitised loan assets to the buyers with which securitisation arrangements have been entered into.		

24 Segment Reporting

The Company operates in a single reportable segment i.e. lending to members, and other related activities which has similar risks and returns for the purpose of Accounting Standard-17 on 'Segment Reporting'. The Company operates in a single geographical segment i.e. India.

25 Earnings per share (EPS)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Net Profit after tax (Rs.)	58,23,85,953	9,54,55,756
Less: Dividend on Optionally/ Compulsorily Convertible Preference Shares and tax thereon (Rs.)	3,888	8,28,011
Net Profit for calculation of basic EPS (Rs.)	58,23,82,065	9,46,27,745
Net Profit for calculation of diluted EPS (Rs.)	58,23,85,953	9,54,55,756
Weighted average number of equity shares in calculating basis EPS	5,34,58,069	4,11,86,481
Effect of dilution:		
Expected Shares to be granted under MSOP, ESOP and on conversion of preference share	67,05,327	50,33,976
Weighted average number of equity shares in calculating diluted EPS	6,01,63,396	4,62,20,457
Earning per share:		
Basic (Rs.)	10.89	2.30
Diluted (Rs.)	9.68	2.07



Annapurna Finance Private Limited (formerly Annapurna Microfinance Private Limited)
Notes to the financial statements as at and for the year ended March 31, 2019

26 (a) Gratuity

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

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

Particulars	March 31, 2019	March 31, 2018
Assumptions:		
Discount Rate	7.70%	7.75%
Salary Escalation	7.00%	7.00%
Expected rate of return on assets	7.70%	7.75%
Expected average remaining working life of employees (Years)	29.80	29.74
Withdrawal Rate	Varying between 8% per annum to 1% per annum depending on duration and age of employees	Varying between 8% per annum to 1% per annum depending on duration and age of employees
Table Showing changes in present value of Defined Benefit obligation:	(Rs.)	(Rs.)
Present value of defined benefit obligations as at beginning of the year	1,43,10,299	79,85,720
Interest cost	10,98,122	6,18,815
Current service cost	98,48,536	45,87,356
Benefit paid	(97,960)	(2,019)
Actuarial loss / (gain) on obligations	29,98,280	11,20,427
Present value of defined benefit obligations as at end of the year	2,81,57,277	1,43,10,299
Table showing fair value of plan assets:		
Fair value of plan assets at beginning of the year	1,47,45,245	59,63,099
Expected return on plan assets	12,28,951	4,62,140
Contributions	5,90,580	84,34,083
Benefits Paid	(97,960)	(2,019)
Actuarial loss on plan assets	(22,984)	(1,12,058)
Fair value of plan assets at end of the year	1,64,41,832	1,47,45,245
Actuarial (Gain)/Loss recognised:		
Actuarial loss / (gain) on obligations	29,98,280	11,20,427
Actuarial loss on Plan assets	22,984	1,12,058
Actuarial loss / (gain) recognised in the year	30,21,264	12,32,485
The amounts to be recognised in the Balance Sheet:		
Present value of obligations at the end of the year	2,81,57,277	1,43,10,299
Fair value of plan assets at the end of the year	1,64,41,832	1,47,45,245
Net (liability)/Assets recognised in balance sheet	(1,17,15,445)	4,34,946
Expenses Recognised in statement of Profit and Loss:		
Current Service Cost	98,48,536	45,87,356
Interest Cost	10,98,122	6,18,815
Expected return on Plan assets.	(12,26,951)	(4,62,140)
Net Actuarial loss / (gain) recognised in the year	30,21,264	12,32,485
Expenses recognised in statement of profit and loss	1,27,40,971	59,76,516
Actual return on plan assets	12,03,967	3,50,082

Amounts for the current and previous year are as follows:

Particulars	As on March 31, 2019	As on March 31, 2018	As on March 31, 2017	As on March 31, 2016	As on March 31, 2015
Defined Benefit Obligations	2,81,57,277	1,43,10,299	79,85,720	39,40,702	14,73,957
Plan Assets	1,64,41,832	1,47,45,245	59,63,099	25,71,112	17,31,970
Surplus/(Deficit)	(1,17,15,445)	4,34,946	(20,22,621)	(13,69,590)	2,58,013
Experience adjustments on plan liabilities [(Gain)/Loss]	26,38,974	(3,37,786)	11,75,284	1,69,160	-
Experience adjustments on plan assets [Gain/(Loss)]	(22,984)	(1,12,058)	(1,24,196)	(82,981)	(82,653)

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

Particulars	As on March 31, 2019	As on March 31, 2018
Insurance Managed Fund	100%	100%

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

The Company expects to contribute Rs.1,13,89,219/- [March 31, 2018: Rs.5,523,027/-] to gratuity fund in 2019-20.

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

(b) Amount incurred as expense for defined contribution to Provident Fund is Rs. 5,54,53,597/- (March 31, 2018: Rs. 28,359,975/-)



27 (a) Management Stock Option Plan (MSOP)

The Company provides share-based payment schemes to its key management personnel. The plan in operation as on March 31, 2019 are MSOP Series- A and MSOP - Series -B.

Particulars	MSOP - Series A	MSOP - Series B (i)	MSOP - Series B (ii)
Date of Grant	June 29, 2012	March 19, 2014	March 19, 2014
Date of Board Approval	June 29, 2012	March 19, 2014	March 19, 2014
Date of Shareholder's Approval	June 29, 2012	March 19, 2014	March 19, 2014
Number of Options expected to exercise within the vesting period	8,16,214	4,16,119	20,83,304
Exercise Price per Share (Rs.)	2.5	5	5
Method of settlement	Equity	Equity	Equity
Vesting Period	March 31, 2013	March 31, 2015	March 31, 2016
Exercise Period	Immediate after vesting period subject to shareholders' approval	Immediate after vesting period subject to shareholders' approval	Immediate after vesting period subject to shareholders' approval
Vesting Conditions	Performance milestones as set out in shareholder agreement dated June 29, 2012	Performance milestones as set out in shareholder agreement dated March 19, 2014	Performance milestones as set out in shareholder agreement dated March 19, 2014

The detail of the plans have been summarised below:

MSOP- Series A

Particulars	31-Mar-19		31-Mar-18	
	No. of Options	Exercise Price (Rs.)	No. of Options	Exercise Price (Rs.)
Outstanding at the beginning of the year	1,64,060	2.50	1,64,060	2.50
Adjustment of opening	6,52,154	-	-	-
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	8,16,214	2.50	1,64,060	2.50
Exercisable at the end of the year	8,16,214	2.50	1,64,060	2.50
Weighted average remaining contractual life in years	-	-	-	-

MSOP- Series B

Particulars	31-Mar-19		31-Mar-18	
	No. of Options	Exercise Price (Rs.)	No. of Options	Exercise Price (Rs.)
Outstanding at the beginning of the year	13,31,581	5.00	13,31,581	5.00
Adjustment of opening	11,67,842	-	-	-
Granted During the year	-	-	-	-
Forfeited During the year	-	-	-	-
Exercised During the year	-	-	-	-
Expired During the year	-	-	-	-
Outstanding at the end of the year	24,99,423	5.00	13,31,581	5.00
Exercisable at the end of the year	24,99,423	5.00	13,31,581	5.00
Weighted Average Remaining Contractual Life in Years	-	-	-	-

Effect of share-based payment plans (MSOP & ESOP) on the statement of profit and loss on the financial position:

Particulars	March 31, 2019	March 31, 2018
Stock options outstanding (gross)	9,06,19,612	3,70,59,588
Deferred compensation cost outstanding	-	-
Stock options outstanding (net)	9,06,19,612	3,70,59,588

The Stock option outstanding contains of Rs.5,44,05,280/- for MSOP (A & B) and Rs.3,62,14,332/- for ESOP as on 31st March 2019.

Notes :

i) The issue of shares will be in accordance with the provisions of the Companies Act, 2013.



Annapurna Finance Private Limited (formerly Annapurna Microfinance Private Limited)
Notes to the financial statements as at and for the year ended March 31, 2019

27(b) Employee Stock Option Scheme (ESOS)

On November 30, 2016 the board of directors approved the Annapurna Stock Option Scheme 2017 for issue of stock options to eligible employees of the Company. The relevant terms of the grant are as below:

Description	Grant - 2	Grant - 1
Date of Grant	01 July 2018	01 July 2017
Date of Board approval	30 November 2016	30 November 2016
Number of options granted	18,17,461	10,90,477
Method of Settlement	Equity	Equity
Graded Vesting	Vesting of the option will take place in equal proportion over a period of 3 years from the date of grant of options	
Exercise period		
The vested options can be exercised within a period of 5 years as per the table below:		
	End of the Year	Exercise period
	1	Within 4 year of 1st Vesting
	2	Within 3 year of 2nd Vesting
	3	Within 2 year of 3rd Vesting
Vesting Conditions	Continuous service with the company and has not served any notice of resignation	
Weighted average remaining contractual life (years)	4 years	4 years
Weighted average exercise price per option (₹)	49	41

The details of activity under the Scheme 2017 Plan are summarized below:

Grant 1

Description	31st March 2019 (No. of options)	31st March 2018 (No. of options)
Outstanding at the beginning of the year	10,24,700	-
Granted during the year	48,000	10,90,477
Forfeited during the year	38,400	65,777
Exercised during the year	-	-
Outstanding at the end of the year	10,34,300	10,24,700
Exercisable at the end of the year	10,34,300	10,24,700
Weighted average remaining contractual life of options (years)	4	4
Weighted average share price during the exercise period (in ₹)	41	41

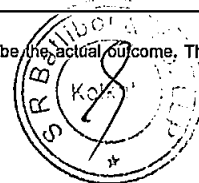
Grant 2

Description	31st March 2019 (No. of options)	31st March 2018 (No. of options)
Outstanding at the beginning of the year	-	-
Granted during the year	4,93,800	-
Forfeited during the year	19,100	-
Exercised during the year	-	-
Outstanding at the end of the year	4,74,700	-
Exercisable at the end of the year	4,74,700	-
Weighted average remaining contractual life of options (years)	4	-
Weighted average share price during the exercise period (in ₹)	49	-

The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs-

Particulars	Grant 2	Grant 1
Share Price on the date of Grant (Rs)	90.64	76.09
Exercise price (₹)	49.00	41.00
Dividend yield (%)	0%	0%
Expected volatility (%)	56.14-57.59%	43.88% - 46.22%
Risk-free interest rate (%)	7.23-7.32%	6.60% - 6.74%
Weighted average fair value of stock options (Rs)	61.13	48.29
Weighted average share price (₹)	90.64	76.09

The expected volatility reflects the assumption that is indicative of future trends, which may also not necessarily be the actual outcome. The cost of employee stock option scheme has been recognised at fair value.



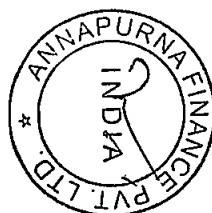
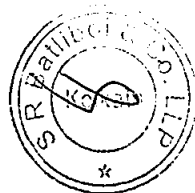
28 Loan portfolio and provision for standard and non-performing assets as at March 31,2019:

(Amount in Rs.)

Asset classification	Portfolio loans outstanding (Gross)		Provision for standard and non-performing assets				Portfolio loans outstanding (Net)	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2018	Provision Made during the year	Provision utilised for write-off	As at March 31,2019	As at March 31, 2019	As at March 31, 2018
Standard assets	24,77,10,23,150	15,31,78,74,620	8,14,447	87,38,474	-	95,52,921	24,76,14,70,229	15,31,70,60,173
Non-Performing assets	31,75,09,550	33,08,90,267	28,35,24,380	12,28,21,460	11,33,41,906	29,30,03,934	2,45,05,616	4,73,65,887
Total	25,08,85,32,700	15,64,87,64,887	28,43,38,827	13,15,59,934	11,33,41,906	30,25,56,855	24,78,59,75,845	15,36,44,26,060

Loan portfolio and provision for standard and non-performing assets as at March 31,2018:

Asset classification	Portfolio loans outstanding (Gross)		Provision for standard and non-performing assets				Portfolio loans outstanding (Net)	
	As at March 31, 2018	As at March 31, 2017	As at March 31,2017	Provision Made during the year	Provision utilised for write-off	As at March 31,2018	As at March 31, 2018	As at March 31, 2017
Standard assets	15,31,78,74,620	10,16,01,44,967	8,18,69,275	-8,10,54,828	-	8,14,447	15,31,70,60,173	10,07,82,75,692
Non-Performing assets	33,08,90,267	2,26,63,913	1,99,58,814	50,86,87,031	24,51,21,465	28,35,24,380	4,73,65,887	27,05,099
Total	15,64,87,64,887	10,18,28,08,880	10,18,28,089	42,76,32,203	24,51,21,465	28,43,38,827	15,36,44,26,060	10,08,09,80,791



29 Related party disclosures

i) Names of related parties and related party relationship

Key management personnel	
Name	Designation
Mr. Gobinda Chandra Pattanaik	Managing Director & CEO
Mr. Dibyajyoti Pattanaik	Director & CFO
Mr. Satyajit Das (w.e.f. 19th June 2018)	Chief Financial Officer
Mr. Subrat Pradhan	Company Secretary

ii) Nature of transactions

Particulars	31-Mar-19		31-Mar-18	
	(Rs.) Transaction Value	(Rs.) Balance Outstanding	(Rs.) Transaction Value	(Rs.) Balance Outstanding
(i) Key management personnel				
Salary, incentives and perquisites				
Mr. Gobinda Chandra Pattanaik	1,06,77,566	-	84,17,830	-
Mr. Dibyajyoti Pattanaik	44,62,500	-	46,81,106	-
Mr. Satyajit Das (w.e.f. 19th June 2018)	32,91,780	-	-	-
Mr. Subrat Pradhan (Refer Note 3 below)	14,64,668	-	12,21,165	-
Total	1,98,96,514	-	1,43,20,101	-

Notes:

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

2. Refer Note no. 5 A & 5 B as regards term loans personally guaranteed by promoter directors of the Company.

3. Includes cost of ESOP - Rs. 3,61,526/- (March 31, 2018 : 1,93,317) (Refer Note 27)

4. MSOP has not been considered for above as the same is not granted yet.

30 Leases

Operating lease: Company as lessee

Certain office premises and vehicles are obtained by the Company on operating lease. The lease term is for one to three years and renewable on a periodic basis and are cancellable. There is no escalation clause in the lease agreements. There are no restrictions imposed by lease arrangements. There are no subleases and contingent rents.

The amount of rent expenses included in the Statement of Profit and Loss towards operating leases aggregate to Rs. 8,26,88,275/- (March 31, 2018: Rs. 46,390,806/-).

31 Expenditure in foreign currency (on accrual basis)

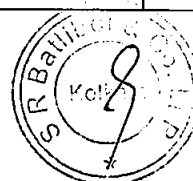
Description	Year ended March 31, 2019	Year ended March 31, 2018
	(Rs.)	(Rs.)
Travelling Expenses	53,79,619	1,98,301

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

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

The details of activities undertaken are as follows :

Particulars	March 31, 2019	March 31, 2018
	(Rs.)	(Rs.)
Amount from banks (pending disbursement) - opening balance	-	9,60,058
Amount receivable from Bank - Opening Balance	10,68,311	38,61,863
Amount received from banks for disbursement of loan during the year	51,92,28,000	74,63,37,000
Loan disbursed during the year	52,47,28,000	75,31,21,000
Amount yet to be disbursed on behalf of business correspondence partners during the year	-	-
Amount disbursed on behalf of business correspondence partners and shown as receivable as on reporting date	1,06,66,843	10,68,311
Credit enhancements provided and outstanding:		
Cash collateral	5,22,51,358	4,83,84,103
Service Fee Income recognised during the year	6,12,62,480	6,77,76,666



33 Additional disclosures pursuant to the Reserve Bank Directions vide :

A) Information on Net Interest Margin

Computation of aggregate margin cap as on March 31, 2019:	31-Mar-19	31-Mar-18
a) Average Interest charged by the Company on advances (%)	20.46	21.01
b) Average Interest cost of borrowings of the Company (%)	11.75	12.16
c) Margin Cap (a-b) (%)	8.71	8.85

B) Exposure to Gold Loan

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

C) Disclosures required as per the Non Banking Financial Company -Systematically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016:

Particulars	Remarks
1. Capital to Risk (Weighted) Assets Ratio	Refer Note No. 33 (D)
2. Investments	The Company does not have any investment as on March 31, 2019 and March 31, 2018
3. Derivatives	
i) Forward Rate Agreement / Interest Rate Swap	The Company has no transaction or exposure in derivatives in the year ended March 31, 2019 and March 31, 2018.
ii) Exchange Traded Interest Rate (IR) Derivatives	
iii) Disclosures on Risk Exposure in Derivatives	The Company has no unhedged foreign currency exposure as on March 31, 2019 and March 31, 2018.
iv) Forward rate agreement/interest rate swap	
4. Disclosures relating to Securitisation	
i) Information duly certified by the SPV's auditors obtained by the originating NBFC from the SPV.	Refer Note No. 33 (E.1)
ii) Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction	The Company has not sold financial assets to securitisation or reconstruction company for assets reconstruction during the current and previous year.
iii) Details of Assignment transactions undertaken by NBFCs	Refer Note No. 33 (E.2)
5. Details of non-performing financial assets purchased / sold	
i) Details of non-performing financial assets purchased :	The Company has not purchased / sold non-performing financial assets during the current and previous year.
ii) Details of Non-performing Financial Assets sold :	
6. Asset Liability Management Maturity pattern of certain items of Assets and Liabilities	Refer Note No. 33 (P)
7. Exposures	
i) Exposure to Real Estate Sector	The Company has no exposure to real estate directly or indirectly.
ii) Exposure to Capital Market	The Company has no exposure to capital market directly or indirectly.
8. Details of financing of parent company products	This Disclosure is not applicable as the Company does not have any holding or parent company.
9. Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC	The Company has not exceeded any limit in respect of qualifying asset SGL / GBL during the current and previous year.
10. Unsecured Advances	Refer Note No. 33 (F)

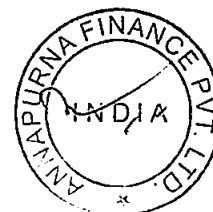
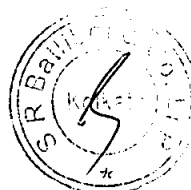


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Notes to the financial statements as at and for the year ended March 31, 2019

<p>11. Miscellaneous</p> <p>i) Registration obtained from other financial sector regulators</p> <p>ii) Disclosure of Penalties imposed by RBI and other regulators</p> <p>iii) Related Party Transactions</p> <p>iv) Ratings assigned by credit rating agencies and migration of ratings during the year</p> <p>v) Remuneration of Directors</p> <p>vi) Net Profit or Loss for the period, prior period items and changes in accounting policies</p> <p>vii) Revenue Recognition</p> <p>viii) Accounting Standard 21 -Consolidated Financial Statements (CFS)</p>	<p>Refer Note No. 33 (G)</p> <p>No penalties were imposed by RBI and other regulators during the current and previous year.</p> <p>Refer Note No. 29</p> <p>Refer Note No. 33 (H)</p> <p>Refer Note No. 29</p> <p>Refer Note No. 2 & 2.1</p> <p>Refer Note No. 2.1(b)</p> <p>The Company does not have any investment as on March 31, 2019 and March 31, 2018</p>
<p>12. Additional Disclosures</p> <p>i) Provisions and Contingencies</p> <p>ii) Draw Down from Reserves</p> <p>iii) Concentration of Deposits, Advances, Exposures and NPAs</p> <p>a) Concentration of Deposits (for deposit taking NBFCs)</p> <p>b) Concentration of Advances</p> <p>c) Concentration of Exposure</p> <p>d) Concentration of NPAs</p> <p>e) Sector-wise NPAs</p> <p>f) Movement of NPAs</p> <p>iv) Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)</p> <p>v) Off-balance Sheet SPVs sponsored (which are required to be consolidated as per accounting norms)</p>	<p>Refer Note No. 33 (I)</p> <p>There has been no draw down from reserves during the year ended March 31, 2019 (Previous Year : Nil).</p> <p>This Disclosure is not applicable as the Company as it is not a deposit taking NBFC.</p> <p>Refer Note No. 33 (J)</p> <p>Refer Note No. 33 (K)</p> <p>Refer Note No. 33 (L)</p> <p>Refer Note No. 33 (M)</p> <p>Refer Note No. 33 (N)</p> <p>The Company has no exposure or transaction with overseas assets.</p> <p>There are no off balance sheet exposure as on March 31, 2019 and March 31, 2018.</p>
<p>13. Disclosure of Complaints</p>	<p>Refer Note No. 33 (O)</p>

D) Capital to Risk-Assets ratio (CRAR)

Particulars	31-Mar-19	31-Mar-18
i) CRAR (%)	25.23	18.68
ii) CRAR - Tier I capital (%)	22.30	13.29
iii) CRAR - Tier II capital (%)	2.93	5.39
iv) Amount of subordinated debt raised as Tier - II Capital	89,20,00,000	1,39,00,00,000
v) Amount raised by issue of Perpetual Debt Instruments	-	-



E.1) The followings figures are being reported based on certificate issued by the auditors of the SPV

Particulars	31-Mar-19	31-Mar-18
1 No of SPVs sponsored by the NBFC for securitisation transactions	10	15
2 Total amount of securitised assets as per books of the SPVs sponsored by the NBFC as on the balance sheet date	2,56,71,41,943	2,80,52,44,883
3 Total amount of exposures retained by the NBFC to comply with MRR as on the date of Balance Sheet		
a) Off-balance sheet exposures		
• First loss	-	-
• Others	-	-
b) On-balance sheet exposures		
• First loss	33,53,18,761	35,01,56,423
• Others	-	-
4 Amount of exposures to securitisation transactions other than MRR		
a) Off-balance sheet exposures		
i) Exposure to own securitisations		
• First loss	-	-
• Others	-	-
ii) Exposure to third party securitisations		
• First loss	-	-
• Others	-	-
b) On-balance sheet exposures		
i) Exposure to own securitisations		
• First loss	27,61,81,476	27,63,42,252
• Others	-	-
ii) Exposure to third party securitisations		
• First loss	-	-
• Others	-	-

E.2) The followings figures are being reported based on Direct Assignment undertaken by the Company.

Particulars	31-Mar-19	31-Mar-18
1 No of SPVs sponsored by the NBFC for Direct Assignment transactions (SPV Not required)	-	-
2 Total amount of Direct Assignment assets as per books of the SPVs sponsored by the NBFC as on the balance sheet date	2,40,60,34,510	-
3 Total amount of exposures retained by the NBFC to comply with MRR as on the date of Balance Sheet		
a) Off-balance sheet exposures		
• First loss	-	-
• Others*	24,04,86,736	-
b) On-balance sheet exposures		
• First loss	-	-
• Others	-	-
4 Amount of exposures to Direct Assignment transactions other than MRR		
a) Off-balance sheet exposures		
i) Exposure to own securitisations		
• First loss	-	-
• Others	-	-
ii) Exposure to third party securitisations		
• First loss	-	-
• Others	-	-
b) On-balance sheet exposures		
i) Exposure to own securitisations		
• First loss	-	-
• Others	-	-
ii) Exposure to third party securitisations		
• First loss	-	-
• Others	-	-

* represents Minimum retention requirement (MRR) in respect of direct assignment transactions based on risk sharing percentage between originator and assignee

F) Unsecured Advances

Particulars	31-Mar-19	31-Mar-18
Portfolio loans	24,59,73,80,360	15,64,87,64,887

G) Registration obtained from other financial sector regulators :

Particulars
Reserve Bank of India
Ministry of Corporate Affairs

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

A Credit rating agency had assigned a grading of 'M1C1' to the company on March 5, 2019, M1C1, being the highest and M8C5 being the lowest.
A Credit rating agency had assigned a rating of 'A-' on the term loans of the Company on October 11, 2018 (Previous Year: BBB).



I) Provisions and Contingencies

Break up of Provisions and Contingencies shown under the head Expenditure in Profit and Loss Account	31-Mar-19	31-Mar-18
i) Provision towards NPA	94,79,554	28,35,65,566
ii) Provision made towards Income tax (including adjustment for deferred tax)	30,47,18,445	4,20,60,638
iii) Portfolio loans written off	11,33,41,906	24,51,21,463
iv) Payment made against the Securitised/ Managed Portfolio	2,42,61,323	8,74,09,671
iii) Other Provision and Contingencies (with details)		
a) Provision for Gratuity	1,28,32,538	59,76,516
b) Provision for Leave Benefit	86,69,707	16,52,964
c) Provision and loss on securitized / managed portfolio	(2,09,54,108)	(2,77,80,849)
d) Provision for insurance claims	1,04,76,108	40,70,473
iv) Provision for Standard Assets	87,38,475	(8,10,54,828)

J) Concentration of Advances

Particulars	31-Mar-19	31-Mar-18
Total advances to twenty largest borrowers	3,00,75,616	2,59,78,483
Percentage of advances to twenty largest borrowers to total advances of the NBFC	0.12%	0.17%

K) Concentration of Exposures

Particulars	31-Mar-19	31-Mar-18
Total Exposure to twenty largest borrowers / customers	3,00,75,616	2,59,78,483
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	0.12%	0.17%

L) Concentration of NPA's

Particulars	31-Mar-19	31-Mar-18
Total Exposure to top four NPA accounts	1,88,008	2,70,975

M) Sector-wise NPAs

Sector	% of NPAs to total advances in that sector as at March 31, 2019	% of NPAs to total advances in that sector as at March 31, 2018
i) Agriculture & allied activities	0.45%	0.25%
ii) MSME	0.24%	1.78%
iii) Corporate borrowers	0.00%	0.00%
iv) Services	0.44%	0.09%
v) Unsecured personal loans	0.00%	0.00%
vi) Auto loans	0.00%	0.00%
vii) Other personal loans	0.00%	0.00%

N) Movement of NPAs

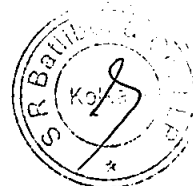
Particulars	31-Mar-19	31-Mar-18
	%	%
i) Net NPAs to Net Advances (%)	0.10%	0.31%
ii) Movement of Gross NPAs		
a) Opening balance	33,08,90,267	2,26,63,913
b) Additions during the year	9,99,61,189	55,33,47,817
c) Reductions during the year (represents loan portfolio written-off)	11,33,41,906	24,51,21,463
d) Closing balance	31,75,09,550	33,08,90,267
iii) Movement of Net NPAs		
a) Opening balance	4,73,65,887	27,05,099
b) Additions during the year	9,04,81,634	28,97,82,251
c) Reductions during the year	11,33,41,906	24,51,21,463
d) Closing balance	2,45,05,615	4,73,65,887
iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
a) Opening balance	28,35,24,380	1,99,58,814
b) Provisions made during the year	94,79,555	26,35,65,566
c) Write-off / write-back of excess provisions	-	-
d) Closing balance	29,30,03,935	28,35,24,380

O) Disclosure of Complaints

Particulars	31-Mar-19	31-Mar-18
i) No. of complaints pending at the beginning of the year	15	6
ii) No. of complaints received during the year	8,760	3,385
iii) No. of complaints redressed during the year	8,737	3,376
iv) No. of complaints pending at the end of the year	38	15

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

The above information is as certified by the management and relied upon by the auditors.

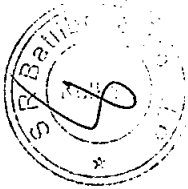


Annapurna Finance Private Limited (formerly Annapurna Microfinance Private Limited)
Notes to the financial statements as at and for the year ended March 31, 2019

P) Maturity Pattern of certain items of assets & liabilities

(Amount in Rs.)

Particulars	1 day to 30/31 days (one month)	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Liabilities									
Borrowings	67,68,79,112 (56,87,40,437)	97,20,88,664 (44,30,71,263)	97,42,08,673 (60,83,62,729)	3,25,25,73,435 (2,26,87,19,982)	5,56,78,26,762 (4,57,66,67,612)	10,72,79,60,105 (6,42,54,23,870)	2,44,41,66,667 (90,91,65,339)	70,00,00,000 (1,06,50,00,000)	25,31,57,03,418 (16,86,51,51,232)
Total	67,68,79,112 (56,87,40,437)	97,20,88,664 (44,30,71,263)	97,42,08,673 (60,83,62,729)	3,25,25,73,435 (2,26,87,19,982)	5,56,78,26,762 (4,57,66,67,612)	10,72,79,60,105 (6,42,54,23,870)	2,44,41,66,667 (90,91,65,339)	70,00,00,000 (1,06,50,00,000)	25,31,57,03,418 (16,86,51,51,232)
Assets									
Advances (Portfolio Loan)	1,44,16,94,261 (1,02,58,27,375)	1,55,20,84,115 (1,09,53,42,323)	1,54,93,54,329 (1,07,03,70,284)	4,48,79,71,889 (3,02,74,04,501)	7,67,55,70,791 (4,77,35,14,498)	8,09,09,76,660 (4,65,33,84,359)	17,76,18,300 (29,21,547)	11,32,62,353 (-)	25,08,85,32,698 (15,64,87,64,887)
Total	1,44,16,94,261 (1,02,58,27,375)	1,55,20,84,115 (1,09,53,42,323)	1,54,93,54,329 (1,07,03,70,284)	4,48,79,71,889 (3,02,74,04,501)	7,67,55,70,791 (4,77,35,14,498)	8,09,09,76,660 (4,65,33,84,359)	17,76,18,300 (29,21,547)	11,32,62,353 (-)	25,08,85,32,698 (15,64,87,64,887)



34 Frauds

1 Information on instances of fraud for the year ended March 31, 2019:

Nature of fraud	No. of cases	Amount of fraud	Amount Recovered	Considered as Recoverable	Amount Provided for
Cash embezzlement	2	25,39,364	1,10,000	-	24,29,364

2 Information on instances of fraud for the year ended March 31, 2018:

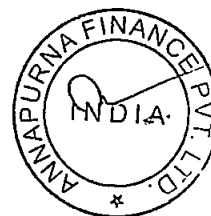
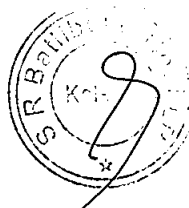
Nature of fraud	No. of cases	Amount of fraud	Considered as Recoverable*	Amount Provided for
Cash embezzlement	3	37,85,065	25,92,500	11,92,565

* Based on intimation dated June 07, 2018, received from local police station.

35 Corporate Social Responsibility

- a) Gross amount required to be spent by the Company during the current year ended is ₹ 58,98,511/- (Previous year ended March 31, 2018 : ₹ 41,18,969/-)
b) The following table sets forth, for the periods indicated, the amount spent by the Bank on CSR related activities;

Sl No.	Particulars	Year ended 31st March 2019			Year ended 31st March 2018		
		In Cash	Yet to be paid in Cash	Total	In Cash	Yet to be paid in Cash	Total
i)	Construction/ acquisition of any assets	23,59,535	-	23,59,535	-	-	-
ii)	On purpose other than (i) above	49,18,284	-	49,18,284	29,54,600	-	29,54,600



Annapurna Finance Private Limited (formerly Annapurna Microfinance Private Limited)
Notes to the financial statements as at and for the year ended March 31, 2019

36. Due to micro, small and medium enterprises

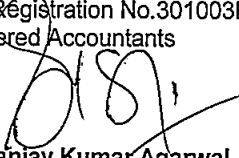
There are no amounts that need to be disclosed in accordance with the Micro Small and Medium Enterprise Development Act, 2006 (the 'MSMED') pertaining to micro or small enterprises. For the year ended March 31, 2019, no supplier has intimated the Company about its status as micro or small enterprises or its registration with the appropriate authority under MSMED.

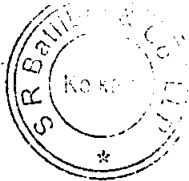
37. Prior year figures

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


For S.R.Batilboi & Co. LLP

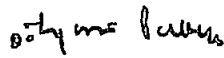
Firm Registration No.301003E/E300005
Chartered Accountants


per Sanjay Kumar Agarwal
Partner
Membership No.: 060352



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


Gobinda Chandra Pattanaik
Managing Director


Dibyajyoti Pattanaik
Director


Subrat Pradhan
Company Secretary


Satyajit Das
Chief Financial Officer

Place: Kolkata
Date: June 24, 2019

Place: Amsterdam
Date: June 21, 2019

