

## **INDEPENDENT AUDITOR'S REPORT**

### **To The Members of ANANYA FINANCE FOR INCLUSIVE GROWTH PRIVATE LIMITED Report on the Financial Statements**

We have audited the accompanying financial statements of ANANYA FINANCE FOR INCLUSIVE GROWTH PRIVATE LIMITED ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2018, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, as amended ("Accounting Standards"), and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 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.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



# Deloitte Haskins & Sells

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Accounting Standards and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2018, and its profit and its cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, based on our audit 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 prescribed under section 133 of the Act.
  - e) On the basis of the written representations received from the directors of the Company as on 31<sup>st</sup> March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.



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g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on 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.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins & Sells  
Chartered Accountants  
(Firm's Registration No.117365W)



Gaurav J. Shah  
(Partner)  
(Membership No. 35701)

Place: Ahmedabad

Date: 29<sup>th</sup> June, 2018

**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT  
(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

**Report on the Internal Financial Controls Over Financial Reporting 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 Ananya Finance for Inclusive Growth Private Limited ("the Company") as of 31<sup>st</sup> March, 2018 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 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 of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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



## Meaning of Internal Financial Controls Over Financial Reporting

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

## Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

## Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2018, 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 Deloitte Haskins & Sells  
Chartered Accountants  
(Firm's Registration No.117365W)



Gaurav J. Shah  
(Partner)  
(Membership No. 35701)

Place: Ahmedabad

Date: 29<sup>th</sup> June, 2018

## ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) In respect of fixed assets :
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The fixed assets were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.
  - (c) The Company does not have any immovable property as at 31<sup>st</sup> March, 2018. Accordingly, clause (i) (c) of paragraph 3 of the Order is not required to be reported upon.
- (ii) The Company is a Non-Banking Financial Company and has not dealt with any goods. The Company does not hold any inventory during the period under audit. Accordingly, the clause (ii) of paragraph 3 of the Order is not required to be reported upon.
- (iii) 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.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, to the extent it is applicable to the Company.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2014, as amended, would apply. Accordingly, clause (v) of paragraph 3 of the Order is not applicable to the Company.
- (vi) The maintenance of the cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the nature of services rendered by the Company.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
  - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Excise Duty, Value Added Tax, Sales Tax, Service Tax, Customs Duty, Goods and Service Tax, cess and other material statutory dues applicable to it to the appropriate authorities.



# Deloitte Haskins & Sells

- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Service Tax, cess and other material statutory dues in arrears as at 31<sup>st</sup> March, 2018 for a period of more than six months from the date they became payable.
- (c) Details of dues of Income Tax which have not been deposited as on 31<sup>st</sup> March, 2018 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (Rs.)	Amount Unpaid (Rs.)
Income Tax Act, 1961	Income Tax	ITAT	Assessment Year 2011-12	37,342,302	-
Income Tax Act, 1961	Income Tax	ITAT	Assessment Year 2012-13	5,103,580	2,298,533
Income Tax Act, 1961	Income Tax	ITAT	Assessment Year 2013-14	10,310,170	5,534,870

There are no dues of Sales Tax, Service Tax, Excise Duty, Value Added Tax and Goods and Service Tax that have not been deposited as at 31<sup>st</sup> March, 2018 on account of disputes.

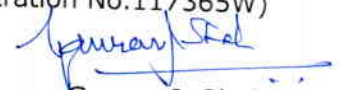
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions and banks. The Company has not issued any debentures.
- (ix) In our opinion and according to the information and explanations given to us, monies raised by way of term loans have been applied by the Company during the year for the purposes for which they were raised, other than temporary deployment pending application of proceeds. The Company has not raised monies by way of initial public offer or further public offer (including debt instruments) during the year.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) As the company is a private limited company, the provisions of clause (xi) of paragraph 3 of the Order are not applicable to the company.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of paragraph 3 of the Order is not applicable.



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- (xiii) The Company is a private company and hence the provisions of section 177 of the Companies Act, 2013 are not applicable to the Company. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us, the Company has made preferential allotment of preference shares during the year. In respect of the above issue, we further report that:
- (a) The requirements of Section 42 of the Companies Act, 2013, as applicable, have been complied with and
- (b) The amounts raised have been applied by the Company during the year for the purposes for which the funds were raised, other than temporary deployment pending application.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions during the year with its directors or persons connected with him as referred to in Section 192 of the Companies Act, 2013.
- (xvi) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained the registration.

For Deloitte Haskins & Sells  
Chartered Accountants  
(Firm's Registration No.117365W)



Gaurav J. Shah  
(Partner)

(Membership No. 35701)

Place: Ahmedabad

Date: 29th June, 2018

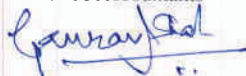


**Ananya Finance for Inclusive Growth Private Limited**  
**Balance Sheet as at 31st March 2018**

	Note	As at 31st March 2018 Rupees	As at 31st March 2017 Rupees
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	2.1	2824,19,110	7551,00,100
Reserves and surplus	2.2	271,93,931	(5138,83,933)
		<u>3096,13,041</u>	<u>2412,16,167</u>
<b>Non-current liabilities</b>			
Long-term borrowings	2.3	5688,16,227	2702,95,488
Other long-term liabilities	2.4	967,38,273	688,68,696
Long-term provisions	2.5	31,61,160	28,76,933
		<u>6687,15,660</u>	<u>3420,41,117</u>
<b>Current liabilities</b>			
Short Term Borrowings	2.6	8,59,130	442,64,828
Trade payables :	2.7	-	-
Total outstanding dues of micro enterprise and small enterprises		-	-
Total outstanding dues of other than micro enterprise and small enterprises		12,83,570	16,90,969
Other current liabilities	2.8	6830,39,918	5632,39,485
Short-term provisions	2.9	25,46,644	36,02,918
		<u>6877,29,262</u>	<u>6127,98,200</u>
<b>Total</b>		<u><b>16660,57,963</b></u>	<u><b>11960,55,484</b></u>
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
(i) Tangible assets	2.10	6,99,857	7,09,194
(ii) Intangible assets	2.11	5,80,669	-
		<u>12,80,526</u>	<u>7,09,194</u>
<b>Non-current investments</b>			
Deferred tax assets, net	2.12	-	82,94,723
Long-term loans and advances	2.13	234,77,248	301,10,043
Other non-current assets	2.14	5404,73,371	2648,74,248
	2.15	720,36,605	380,38,235
		<u>6359,87,224</u>	<u>3413,17,249</u>
<b>Current assets</b>			
Current investments	2.16	135,33,461	87,86,946
Trade receivables	2.17	-	2,28,125
Cash and cash equivalents	2.18	851,71,244	729,36,166
Short-term loans and advances	2.19	9270,44,496	7668,62,696
Other current assets	2.20	30,41,012	52,15,108
		<u>10287,90,213</u>	<u>8540,29,041</u>
<b>Total</b>		<u><b>16660,57,963</b></u>	<u><b>11960,55,484</b></u>

See accompanying notes forming part of financial statements  
 In terms of our report attached

**For Deloitte Haskins & Sells**  
 Chartered Accountants



Gaurav J Shah  
 Partner

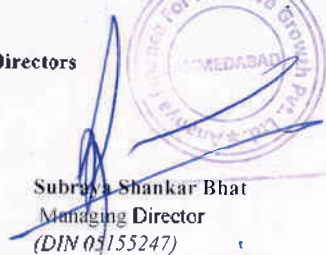
Place: Ahmedabad  
 Date: 29/06/2018

For and on behalf of the Board of Directors



Brij Mohan  
 Chairman  
 (DIN 00667210)

Place: Ahmedabad  
 Date: 29/06/2018

  
 Subraya Shankar Bhat  
 Managing Director  
 (DIN 05155247)

  
 Lavina Parikh  
 Company Secretary




**Ananya Finance for Inclusive Growth Private Limited**  
**Statement of Profit and Loss for the year ended 31st March 2018**

	Note	For the year ended 31st March 2018 Rupees	For the year ended 31st March 2017 Rupees
<b>Income</b>			
Revenue from operations	2.21	1754,75,861	1375,56,264
Other income	2.22	89,84,289	84,62,481
<b>Total revenue</b>		<b>1844,60,150</b>	<b>1460,18,745</b>
<b>Expenses</b>			
Employee benefits expense	2.23	195,47,388	211,70,489
Finance costs	2.24	1187,51,174	861,91,279
Depreciation and amortisation	2.25	5,45,608	2,87,138
Provisions and write offs	2.26	17,75,044	4,89,760
Other expenses	2.27	110,33,491	122,19,865
<b>Total expenses</b>		<b>1516,52,705</b>	<b>1203,58,531</b>
<b>Profit before tax</b>		<b>328,07,445</b>	<b>256,60,214</b>
<b>Tax expense / (benefits):</b>			
- Current tax		-	-
- Deferred tax		66,32,794	72,70,995
<b>Profit after tax</b>		<b>261,74,651</b>	<b>183,89,219</b>
<b>Earnings per equity share</b>			
<b>[nominal value of share Rs. 10 (previous year Rs.10)]</b>	2.28		
Basic		2.12	1.52
Diluted		1.99	1.52

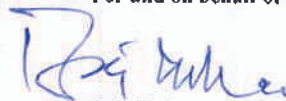
See accompanying notes forming part of financial statements  
 In terms of our report attached

**For Deloitte Haskins & Sells**  
 Chartered Accountants

  
**Gaurav J Shah**  
 Partner


Place: Ahmedabad  
 Date: 29/06/2018

**For and on behalf of the Board of Directors**

  
**Brij Mohan**  
 Chairman  
 (DIN 00667210)

Place: Ahmedabad  
 Date: 29/06/2018



  
**Subrata Shankar Bhat**  
 Managing Director  
 (DIN 05155247)

  
**Lavina Parikh**  
 Company Secretary

Ananya Finance for Inclusive Growth Private Limited  
Cash Flow Statement for the year ended 31st March 2018

	For the year ended 31st March 2018 Rupees	For the year ended 31st March 2017 Rupees
<b>Cash flows from operating activities</b>		
Net Profit before tax	328,07,445	256,60,214
Adjustments :		
Depreciation and amortisation	5,45,606	2,87,138
Provisions and write offs on loan portfolio	14,28,069	4,89,760
Income from mutual fund investments	(3,67,755)	(9,55,395)
Interest income on fixed deposit and others	(75,13,484)	(59,00,934)
Finance Cost	1187,51,174	861,91,279
<b>Operating cash flows before working capital changes</b>	<b>1456,51,055</b>	<b>1057,72,062</b>
(Increase) / decrease in loans and advances	(4178,04,817)	(2581,36,922)
(Increase) / decrease in trade receivables	2,28,125	(2,10,101)
(Increase) / decrease in other assets	2,90,922	3,50,070
Increase / (decrease) in long term liabilities	277,75,000	269,76,300
Increase / (decrease) in other liabilities and provisions	146,04,304	99,16,054
<b>Cash generated from operations</b>	<b>(2292,55,409)</b>	<b>(1153,32,537)</b>
Finance Cost Paid	(1124,83,897)	(773,91,957)
Income taxes (paid) / refunded, net	(179,76,106)	(149,55,386)
<b>Net cash provided / (used) by operating activities (A)</b>	<b>(3597,15,412)</b>	<b>(2076,79,880)</b>
<b>Cash flows from investing activities</b>		
Purchase of fixed assets	(11,16,940)	(5,25,851)
Purchase of units of mutual funds	(2004,90,000)	(6835,25,001)
Proceeds from sale of units of mutual funds	2044,05,963	6753,98,727
Interest received on Fixed Deposit	76,78,288	48,11,490
Bank deposit/Margin money placed	(335,36,226)	(90,48,709)
<b>Net cash provided / (used) by investing activities (B)</b>	<b>(230,58,915)</b>	<b>(128,89,344)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of preference shares	640,00,000	-
Redemption of Preference Share	(200,00,000)	-
Proceeds/(Repayment) from short -term borrowings	(434,05,698)	442,64,828
Proceeds from long-term borrowings	9500,00,000	5190,00,000
Repayment of long-term borrowings	(5568,41,123)	(3424,65,574)
<b>Net cash provided / (used) by financing activities (C)</b>	<b>3937,53,179</b>	<b>2207,99,254</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>109,78,852</b>	<b>2,30,030</b>
Cash and cash equivalents at the beginning of the year	244,72,392	242,42,362
<b>Cash and cash equivalents at the end of the year (Refer note 2.18)</b>	<b>354,51,244</b>	<b>244,72,392</b>

For the year ended 31st March 2018 Rupees	For the year ended 31st March 2017 Rupees
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**Notes to Cash Flow Statement**

- Reconciliation of Cash and cash equivalents with the Balance Sheet:  
Cash and cash equivalent as per Balance Sheet (Refer Note 2.18(a))
- For non cash transactions refer note 2.1.4 and 2.1.5
- The Cash Flow Statement has been prepared under the 'Indirect Method' set out in Accounting Standard 3 'Cash Flow Statement'

See accompanying notes forming part of financial statements  
In terms of our report attached

For Deloitte Haskins & Sells  
Chartered Accountants

*Gaurav J Shah*

Gaurav J Shah  
Partner

For and on behalf of the Board of Directors

*Brij Mohan*

Brij Mohan  
Chairman  
(DIN 00667210)

*Subhaya Shankar Bhat*  
Managing Director  
(DIN 05155247)

*Lavina Parikh*  
Company Secretary



Place: Ahmedabad  
Date: 29/06/2018

Place: Ahmedabad  
Date: 29/06/2018

**Ananya Finance for Inclusive Growth Private Limited**  
**Notes to the financial statements for the year ended 31<sup>st</sup> March 2018**

**1. Corporate Information**

Ananya Finance for Inclusive Growth Private Limited incorporated on 22nd April 2009 under the Companies Act 1956 is a Non-Banking Financial (Non-Deposit Accepting or Holding) Company ('NBFC') engaged in providing financial services to institutions working in the space of financial inclusion like microfinance institutions, agriculture producer companies, co-operatives etc. in India.

**1.1 Significant Accounting Policies**

**a. Basis of preparation of financial statements**

The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 ('the Act'). The financial statements have been prepared on accrual basis under historical cost convention and going concern basis. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

Further, the Company follows the prudential norms for income recognition and provisioning for Non-Performing Assets as prescribed by the Reserve Bank of India for Non systemically Important Non-Banking Financial (Non – Deposit Accepting or Holding) Company

**b. Use of estimates**

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

**c. Operating Cycle**

Company has ascertained its operating cycle as 12 months that is the time between the acquisition of assets for processing and their realization in cash or cash equivalents.

**d. Revenue recognition**

- i). Interest income on loan portfolio is recognised in the Statement of Profit and Loss on accrual basis taking into account the amount outstanding and rate applicable except in the case of non-performing assets (NPA's) where it is recognized, upon realization, as per the prudential norms of RBI.
- ii). Interest on term deposits has been accrued on the time proportion basis, using the underlying interest rate.
- iii). Dividend income is accounted when the right to receive the dividend is established.
- iv). Income from non-refundable revenue grant is recognised in the statement of profit and loss on fulfillment of Grant obligations.

**e. Classification of loan portfolio and provisioning policy**

The Company classifies its loan portfolio in accordance with Master Direction No : DNBR.PD.007/03.10.119/2016-17 dated September 01, 2016 on Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 into Performing and Non-performing Assets (NPA). Further, NPAs are classified into sub-standard, doubtful and loss assets.



**Ananya Finance for Inclusive Growth Private Limited**  
**Notes to the financial statements for the year ended 31st March 2018 (continued)**

**f. Assignment Loans and Assignment Liabilities**

Assigned assets are derecognised, if and only if, the Company loses control of the contractual rights that comprise the corresponding pools or mortgages transferred. Transfers of pools of mortgages under the current programs involve transfer of proportionate shares in the pools of mortgages. Such transfers result in de-recognition only of that proportion of the mortgages as meet the de-recognition criteria. The portion retained by the Company continue to be accounted for as loans as described above. As stated in the Guidance Note on Accounting for Securitisation issued by the Institute of Chartered Accountants of India, on de-recognition, the difference between the book value of the assigned asset and consideration received is recognised as gain arising on assignment in the Statement of Profit and Loss over the balance maturity period of the pool transferred. Losses, if any, arising from such transactions, are recognised immediately in the Statement of Profit and Loss

**g. Fixed assets and depreciation**

*Tangible assets*

Tangible assets are carried at cost of acquisition less accumulated depreciation and/ or accumulated impairment loss, if any. The cost of tangible assets comprises the purchase price, taxes, duties, freight (net of rebates and discounts) and any other directly attributable costs of bringing the assets to their working condition for their intended use.

Tangible assets under construction and tangible assets acquired but not ready for their intended use are disclosed as capital work-in-progress.

Depreciation on tangible assets is calculated on a straight-line basis, using the rates based on the useful lives estimated by the management, based on a technical evaluation, which is different from the useful life as specified in Schedule II of the Act. The comparison between the useful life estimated by the Management and the useful life as defined in Schedule II of the Act is as follows:

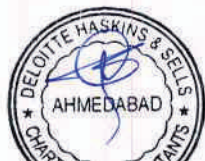
Asset class	Estimated useful life adopted by the Company	Estimated useful life as per Schedule II of the Companies Act, 2013
Furniture and fixtures	3 to 4 years	10 years
Vehicles	4 years	8 to 10 years
Office equipments	5 years	5 years
Computers	3 years	3 years

Depreciation is calculated on a pro-rata basis from the day the assets are purchased / sold. Tangible assets individually costing less than Rs. 5,000 are depreciated fully in the year of purchase.

*Intangible assets*

Intangible assets that are acquired by the Company are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less any accumulated amortisation and any accumulated impairment loss. Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates.

Intangible assets are amortised using straight-line method over a period of 3 to 5 years respectively.



**Ananya Finance for Inclusive Growth Private Limited**  
**Notes to the financial statements for the year ended 31st March 2018 (continued)**

**h. Impairment of assets**

The Company assesses at each balance sheet date whether there is any indication that any assets forming part of its cash generating units may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs to is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the reassessed recoverable amount subject to a maximum of depreciated historical cost.

**i. Investments**

Investments that are readily realisable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long-term investments. However, that part of long term investments which is expected to be realized within 12 months after the reporting date is also presented under 'current assets' as "current portion of long term investments" in consonance with the current-non-current classification.

Long-term investments are carried at cost less any other-than-temporary diminution in value, determined separately for each individual investment.

Current investments are carried at the lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investments i.e., equity shares, preference shares, convertible debentures etc.

**j. Employee benefits**

*Defined contribution plans*

The Company makes specified monthly contribution towards employee provident fund to Government administered provident fund scheme, which is a defined contribution scheme. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

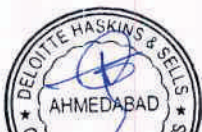
*Defined benefit plan*

The Company provides for gratuity, a defined benefit retirement plan covering eligible employees. Gratuity is covered under a scheme administered by the Life Insurance Corporation of India and the contributions made by the company to the scheme are recognised in Statement of Profit and Loss. The liability recognised in the Balance Sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the Balance Sheet date less the fair value of plan assets. The calculation of the Company's obligation under the plan is performed annually by qualified independent actuary using the projected unit credit method. Actuarial gains and losses arising during the year are immediately recognised in the Statement of Profit and Loss

*Compensated absences*

Compensated absences, is a long-term employee benefit, and accrued based on an actuarial valuation done as per projected unit credit method as at the balance sheet date, carried out by an independent actuary.

Actuarial gains and losses arising during the year are immediately recognised in the Statement of Profit and Loss.



**Ananya Finance for Inclusive Growth Private Limited**  
**Notes to the financial statements for the year ended 31st March 2018 (continued)**

**k. Income tax**

Income tax expense comprises current tax and deferred tax.

*Current tax*

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of Income Tax Act, 1961 & other applicable tax laws.

*Deferred tax*

Deferred tax charge or benefit reflects the tax effects of timing differences between accounting income and taxable income for the year. The deferred tax charge or benefit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantially enacted as at the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognised only if there is a virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realize the assets. Deferred tax assets are reviewed at each balance sheet date and written-down or written-up to reflect the amount that is reasonably/virtually certain to be realised.

**l. Earnings per share**

Basic earnings per share ("EPS") is computed by dividing the net profit after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, net profit after tax for the year and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed to have been converted as of the beginning of the year, unless they have been issued at a later date.

**m. Provisions and contingent liabilities**

A provision is recognised if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. The provisions are measured on an undiscounted basis.

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

A contract is considered as onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

**n. Leases**

Leases that do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Payments made under operating leases are recognised in the Statement of Profit and Loss on a



**Ananya Finance for Inclusive Growth Private Limited**  
**Notes to the financial statements for the year ended 31st March 2018 (continued)**

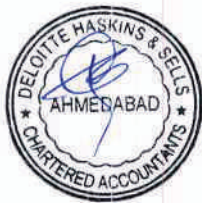
straight line basis over the lease term unless another systematic basis is more representative of the time pattern of the user's benefit.

**o. Accounting for Processing Fees Income / Expenses**

Loan processing fees income and loan processing charges cost are recognised as income or expense in the year in which it is received or paid respectively.

**p. Cash flow statement**

Cash flows are reported using the indirect method, whereby net profit/ (loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow from operating, investing and financing activities of the Company are segregated.



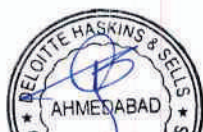


**Ananya Finance for Inclusive Growth Private Limited**

Notes to the financial statements for the year ended 31st March 2018 (continued)

	As at 31st March 2018 Rupees	As at 31st March 2017 Rupees
<b>2.1 Share capital</b>		
<b>Authorised:</b>		
13,50,00,000 (Previous year: 15,00,00,000) Equity Shares of Rs. 10 each Class A	13500,00,000	15000,00,000
1,00,00,000 (Previous year: 1,00,00,000) Equity Shares of Rs. 10 each Class B	1000,00,000	1000,00,000
5,50,00,000 (Previous year: 4,00,00,000) Preference Shares of Rs. 10 each	5500,00,000	4000,00,000
	<u>20000,00,000</u>	<u>20000,00,000</u>
<b>Issued, subscribed and paid-up:</b>		
1,30,21,040 (Previous year: 5,15,10,020) Equity Shares of Rs. 10 each Class A, fully Paid-up	1302,10,400	5151,00,200
18,20,871 (Previous year: 1,00,00,000) 6% Compulsorily Convertible Cumulative Preference Shares of Rs. 10 each, fully Paid up	1,82,08,710	1000,00,000
64,00,000 (Previous year: Nil) 6% Compulsorily Convertible Cumulative Preference Shares of Rs. 10 each, fully Paid up	6,40,00,000	-
70,00,000 (Previous year: 90,00,000) 8% Optionally Convertible Cumulative Preference Shares of Rs. 10 each, fully Paid up	700,00,000	900,00,000
Nil (Previous year: 49,99,990) 8% Compulsorily Convertible Cumulative Preference Shares of Rs. 10 each, fully Paid up	-	499,99,900
	<u>2824,19,110</u>	<u>7551,00,100</u>

Particulars	As at 31st March 2018		As at 31st March 2017	
	Number of Shares	Amount	Number of Shares	Amount
<b>Equity Shares Class A</b>				
At the Commencement of the year	515,10,020	5151,00,200	515,10,020	5151,00,200
Less: Capital Reduction (Refer Note 2.1.5)	(421,30,712)	(4213,07,120)	-	-
Converted from Class B	36,41,732	364,17,320	-	-
<b>At the end of the year</b>	<u>130,21,040</u>	<u>1302,10,400</u>	<u>515,10,020</u>	<u>5151,00,200</u>
<b>Class B</b>				
At the Commencement of the year	-	-	-	-
Preference Shares converted into Equity Shares during the year	9,10,433	91,04,330	-	-
Issue of Bonus Shares	27,31,299	273,12,990	-	-
Less: Converted into Class A	(36,41,732)	(364,17,320)	-	-
<b>At the end of the year</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Equity Shares at the end of the year</b>	<u>130,21,040</u>	<u>1302,10,400</u>	<u>515,10,020</u>	<u>5151,00,200</u>
<b>6% Compulsorily Convertible Cumulative Preference Shares- Issued to IFIG</b>				
At the commencement of the year	100,00,000	1000,00,000	100,00,000	1000,00,000
Less: Capital Reduction (Refer Note 2.1.5)	(81,79,129)	(817,91,290)	-	-
<b>At the end of the year</b>	<u>18,20,871</u>	<u>1,82,08,710</u>	<u>100,00,000</u>	<u>1000,00,000</u>
<b>6% Compulsorily Convertible Cumulative Preference Shares- Issued to Gojo &amp; Company Inc.</b>				
At the commencement of the year	-	-	-	-
Issued during the year	64,00,000	640,00,000	-	-
<b>At the end of the year</b>	<u>64,00,000</u>	<u>640,00,000</u>	<u>-</u>	<u>-</u>
<b>8% Optionally Convertible Cumulative Preference Shares - Issued to IDBI Bank Ltd</b>				
At the commencement of the year	90,00,000	900,00,000	90,00,000	900,00,000
Redeemed during the year	(20,00,000)	(200,00,000)	-	-
<b>At the end of the year</b>	<u>70,00,000</u>	<u>700,00,000</u>	<u>90,00,000</u>	<u>900,00,000</u>
<b>8% Compulsorily Convertible cumulative Preference Shares - Issued to Stichting Capital 4 Development</b>				
At the commencement of the year	49,99,990	499,99,900	49,99,990	499,99,900
Less: Capital Reduction (Refer Note 2.1.5)	(40,89,557)	(408,95,570)	-	-
Conversion during the year to Equity Share Class B	(9,10,433)	(91,04,330)	-	-
<b>At the end of the year</b>	<u>-</u>	<u>-</u>	<u>49,99,990</u>	<u>499,99,900</u>



**Ananya Finance for Inclusive Growth Private Limited**

Notes to financial statements for the year ended 31st March 2018 (continued)

**2.1 Share capital (continued)**

**2.1.2 a) Rights, Preferences and restrictions attached to Equity Shares**

The Company has two class of Equity Shares having a par value of Rs. 10 per Equity Share. All Equity Shares rank equally with regard to dividends and share in the Company's residual assets. Class A Equity Shares have all rights and privileges available to an ordinary Equity Shareholder. Class B Equity Shares entitle its holders, over and above all rights and privileges available to an ordinary Equity Shareholder, also to a special right with respect to the Bonus Equity Shares allotted by the Company from time to time. The Equity Shares are entitled to receive dividend as declared from time to time subject to payment of dividend to Preference Shareholders. In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of Equity Shares held.

Company vide resolution passed in Extra Ordinary General Meeting dated 5th February 2018 altered its Memorandum of Association in order to reclassify its Authorised Share Capital of Rs. 200,00,00,000 (Rupees Two hundred Crores) into (a) 14,50,00,000 Equity Shares of Rs. 10/- each comprising of (i) 13,50,00,000 Equity Shares of Class A of Rs. 10/- each and (ii) 1,00,00,000 Equity Shares of Class B of Rs. 10 each, and 5,50,00,000 Preference Shares of Rs. 10/- each.

**b) Rights, Preferences and restrictions attached to Preference Shares**

All the Preference Share holders have waived their right for any accumulated or accrued dividend declared on these securities held by them upto 5th February 2018 as per the agreement entered between them. In the event of liquidation, Preference Share holders have preferential right over Equity Share holders to be repaid to the extent of Capital paid up and dividend in arrears of such Shares.

**1) 18,20,871 (Previous year - 1,00,00,000) 6% Compulsorily Convertible cumulative Preference Shares (CCPS) of Rs.10 each, fully paid up - Issued to IFIG**

The Company has issued 1,00,00,000 6% CCPS of Rs. 10 each at par to Indian Foundation for Inclusive Growth (IFIG) and the same after capital reduction stands at 18,20,871 6% CCPS of Rs. 10 each. The agreement provides for optional conversion after 3 years from the allotment date in the event the Preference Shareholders give a conversion notice. These Preference Shares are to be Compulsorily Convertible into Equity Shares of the Company on before 31st March 2020.

**2) 64,00,000 (Previous year- Nil) 6% Compulsorily Convertible cumulative Preference Shares (CCPS) of Rs. 10 each, fully paid- Issued to Gojo & Company Inc.**

The Company has issued 64,00,000 6% CCPS of Rs. 10 each at par to Gojo & Company Inc. As per the Shareholders Agreement dated 5th February 2018, CCPS can be converted into Equity Shares on or before 31st March 2020. The agreement provides option to Gojo & Company Inc. to convert even before 31st March 2020 by giving conversion notice to the Company. These Preference Shares will be converted at the agreed conversion rate in accordance with the terms of above mentioned Shareholders Agreement.

As per the Shareholder Agreement dated 5th February 2018, Gojo & Company Inc was to invest funds in the Company in two tranches. As a part of First Completion Subscription USD 1 Million (equivalent Rs. 6,40,00,000) was invested and Company has issued 64,00,000 6% preference shares at a price of Rs. 10 per share to Gojo & Company Inc. on preferential basis under section 42 of the Companies Act, 2013. The proceeds received from above has been utilised for redemption of IDBI preference shares and to strength the Company network which will help it grow its operations and business.

Second Completion Subscription funds will be invested post the receipt of RBI approval as per the Master Direction DNBR (PD)CC No.065/3.10.001/2015-16. The approval was pending on the reporting date and was received subsequent to the reporting date.

**3) Nil (Previous year- 49,99,990) 8% Compulsorily Convertible cumulative Preference Shares (CCPS) of Rs. 10 each, fully paid up - Issued to Stichting Capital 4 Development**

The Company has issued 49,99,990 8% CCPS of Rs. 10 each at par to Stichting Capital 4 Development and the same after capital reduction stands at 9,10,433 8% CCPS of Rs. 10 each. These Preference Shares are Compulsorily Convertible into Equity Shares any time after three years from the date of allotment i.e. on or before 31st March 2018. On 29th March, Stichting Capital 4 Development Preference Shares were converted into Class B Equity Shares in the ratio of one equity shares for each Preference Share held. Subsequently, Bonus Shares were issued to the Class B Equity Shares in the ratio of 3 Shares for every one Equity Share held and were converted into Class A Shares.

**4) 70,00,000 (Previous year - 90,00,000) 8% optionally Convertible cumulative Preference Shares (OCCPS) of Rs. 10 each, fully paid up - Issued to IDBI Bank Ltd**

The Company has issued 90,00,000 8% OCCPS of Rs. 10 each at par to IDBI Bank Ltd ("IDBI"). During the year, 20,00,000 Preference Shares were redeemed and paid to IDBI by the Company. Remaining outstanding Preference Shares are to be redeemed, if the date of redemption is mutually agreed upon by both the parties as per the shareholders agreement entered on 5th February 2018.

**2.1.3 Particulars of Shareholder holding more than 5% of Equity Shares of Rs.10 each fully paid up:**

Name of the Shareholder	As at 31st March 2018		As at 31st March 2017	
	Number of Shares	% of holding	Number of Shares	% of holding
<b>Class A</b>				
Sudha Kapurchand Kothari - as a trustee of Indian Foundation for Inclusive Growth	60,08,873	46.15%	330,00,000	64.07%
Womens World Banking Capital Partner, LP (formerly WWB ISIS Fund, LP)	32,77,569	25.17%	180,00,010	34.94%
Stichting Capital 4 Development	36,41,734	27.97%	-	-
<b>6% Compulsorily Convertible cumulative Preference Shares</b>				
Gojo & Company Inc	64,00,000	77.85%	-	-
Sudha Kapurchand Kothari - as a trustee of Indian Foundation for Inclusive Growth	18,20,871	22.00%	100,00,000	100%
<b>8% Compulsorily Convertible cumulative Preference Shares (CCPS)</b>				
Stichting Capital 4 Development ("C4D")	-	-	49,99,990	100%
<b>8% optionally Convertible cumulative Preference Shares (OCCPS)</b>				
IDBI Bank Ltd	70,00,000	100%	90,00,000	100%



**Ananya Finance for Inclusive Growth Private Limited**

Notes to the financial statements for the year ended 31st March 2018 (continued)

**2.1.4 Aggregate number of Shares issued other than cash, during the period of 5 years immediately preceding the reporting date.**

Particulars	Aggregate No. of Share as at 31st March 2018	Aggregate No. of Share as at 31st March 2017
Fully paid up Equity Shares issued as bonus Shares	117,31,299	90,00,000

Note - On 29th March 2018 the Company issued 27,31,299 bonus Shares to Class B Equity Shareholders in the ratio of 3 Shares for every 1 Share held by the Shareholders

**2.1.5 Capital reduction impact on Share capital and Reserves & Surplus**

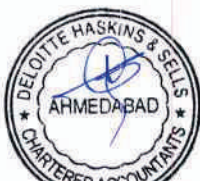
During the current year, the Board of the Company had proposed a scheme of arrangement in the nature of reduction of Capital ("the Scheme"). Pursuant to the Scheme, Equity Shares and Compulsory Convertible Preference Shares of the Company stands reduced and adjusted against the debit balance of profit and loss account of the Company with effect from 1st April 2017. After necessary approvals from the all the Shareholders in Extra Ordinary General Meeting dated 23rd June, 2017, the Scheme was sanctioned by National Company Law Tribunal ("NCLT") at Ahmedabad vide order dated 22nd January, 2018. The Scheme became operative from 29th January 2018 upon filing of certified copy of the order of the NCLT, Ahmedabad with the Registrar of Companies. The effect of the Capital reduction is mentioned in the table below

Shareholders	Pre Reduction			Capital Reduction	Post Reduction		
	No. of Shares	Value	% Stake	Value	No. of Shares	Value	% Stake
<b>Equity Shares : Class A</b>							
IFIG	330,00,000	3300,00,000	64.07%	2699,11,270	60,08,873	600,88,730	64.07%
Women's World Banking	180,00,010	1800,00,100	34.94%	1472,24,410	32,77,560	327,75,690	34.94%
Stichting Capital 4 Development	10	100	0.00%	80	2	20	0.00%
Individuals	5,10,000	51,00,000	0.99%	41,71,360	92,864	9,28,640	0.99%
<b>Total Equity Shares</b>	<b>515,10,020</b>	<b>5151,00,200</b>	<b>100.00%</b>	<b>4213,07,120</b>	<b>93,79,308</b>	<b>937,93,090</b>	<b>100.00%</b>
<b>Compulsory Convertible Preference Shares</b>							
IFIG	100,00,000	1000,00,000	66.67%	817,91,290	18,20,871	182,08,710	66.67%
Stichting Capital 4 Development	49,99,990	499,99,900	33.33%	408,95,570	9,10,433	91,04,380	33.33%
<b>Total Compulsory Convertible Preference Shares</b>	<b>149,99,990</b>	<b>1499,99,900</b>	<b>100.0%</b>	<b>1226,86,860</b>	<b>27,31,304</b>	<b>273,13,040</b>	<b>100.0%</b>
<b>Optionally Convertible Preference Shares</b>							
IDBI	90,00,000	900,00,000	100%	-	90,00,000	900,00,000	100%
<b>Total</b>	<b>755,10,010</b>	<b>7551,00,100</b>		<b>5439,93,980</b>	<b>211,10,612</b>	<b>211106120</b>	

The above reduction has been effected by writing of the accumulated losses amounting to Rs. 54,39,93,980

**2.2 Reserves and surplus**

	As at 31st March 2018 Rupees	As at 31st March 2017 Rupees
<b>Securities premium account</b>		
At the commencement of the year	577,61,737	577,61,737
Less: amount utilised towards issue of bonus Shares	(273,12,990)	-
Less: Redemption premium on OCCPS (IDBI)	(17,77,777)	-
Closing balance	<u>286,70,970</u>	<u>577,61,737</u>
<b>Statutory reserve (created under Section 45-1C of RBI Act, 1934)</b>		
At the commencement of the year	100,90,958	64,13,114
Add: Transferred from surplus	52,34,930	36,77,844
Closing balance	<u>153,25,888</u>	<u>100,90,958</u>
<b>Surplus in the statement of profit and loss</b>		
At the commencement of the year	(5817,36,628)	(5964,48,003)
Add: Capital Reduction (Refer note 2.1.5)	5439,93,980	-
Add: Net Profit / (Loss) for the year	261,74,651	183,89,219
Less: Transferred to statutory reserve	(52,34,930)	(36,77,844)
Closing balance	<u>(168,02,927)</u>	<u>(5817,36,628)</u>
<b>Total reserves and surplus</b>	<u>271,93,931</u>	<u>(5138,83,933)</u>



**Ananya Finance for Inclusive Growth Private Limited**  
**Notes to the financial statements for the year ended 31st March 2018 (continued)**

	As at 31st March 2018 Rupees	As at 31st March 2017 Rupees
<b>2.3 Long-term borrowings</b>		
Secured		
Term loans from banks *	1,545,90,909	844,19,056
Term loans from others *	4,142,25,318	1,858,76,432
	<u>5,688,16,227</u>	<u>2,702,95,488</u>
*Refer note 2.29 for terms of borrowings		
<b>2.4 Other long-term liabilities</b>		
Security deposit from borrowers	951,75,000	674,00,000
Interest accrued but not due on security deposits	15,63,273	14,68,696
	<u>967,38,273</u>	<u>688,68,696</u>
<b>2.5 Long-term provisions</b>		
Contingent provision against standard assets*	11,63,519	5,32,420
Provision for non performing assets*	8,27,374	4,67,507
Provision for diminution in the fair value of restructured advances*	-	1,45,727
Provision for employee benefits		
Gratuity (funded) (Refer note 2.38)	(3,03,700)	7,36,569
Compensated absences	14,73,967	9,94,710
	<u>31,61,160</u>	<u>28,76,933</u>
*Refer note 2.32		
<b>2.6 Short-term borrowings</b>		
Secured		
Cash Credit From Bank	8,59,130	442,64,828
	<u>8,59,130</u>	<u>442,64,828</u>
*Refer note 2.29 for terms of borrowings		
<b>2.7 Trade Payables</b>		
Micro enterprise and small enterprises (Refer Note 2.40)		
Acceptances	-	-
Other than Acceptance	-	-
Other than micro enterprise and small enterprises		
Acceptances	-	-
Other than Acceptance	12,83,570	16,90,969
	<u>12,83,570</u>	<u>16,90,969</u>
<b>2.8 Other current liabilities</b>		
Current maturities of long-term debt		
-Term loans from banks - Secured*	1,791,44,549	1,519,42,862
-Term loans from others - Secured*	3,991,61,004	1,799,74,553
-Term loans from financial institution - Unsecured*	-	1,517,50,000
Interest accrued but not due on borrowings	48,44,423	22,04,767
Security deposit from borrowers	710,00,000	573,45,200
Interest accrued but not due on security deposits	56,26,720	41,36,233
Unspent amount of Pradhan Mantri State Initiative Growth project	1,59,33,099	1,38,90,543
Statutory liabilities	25,52,346	19,95,327
Advance received towards Redemption of Investment in preference shares #	30,00,000	-
Premium Payable on Redemption of Preference Shares issued to IDBI Ltd.	17,77,777	-
	<u>6,830,39,918</u>	<u>5,632,39,485</u>
*Refer note 2.29 for terms of borrowings		
# In lieu of scheduled redemption, Access livelihood Consulting India Limited (ALC) has temporarily given an advance of Rs. 30,00,000 to the Company towards the redemption and the Company is expecting to receive the full redemption in due course based on communication with the investee (ALC)		
<b>2.9 Short-term provisions</b>		
Contingent provision against standard assets*	23,11,319	19,16,334
Provision for non performing assets*	1,87,845	-
Provision for employee benefits		
Gratuity (funded) (Refer note 2.38)	-	16,54,678
Compensated absences	47,480	31,906
	<u>25,46,644</u>	<u>36,02,918</u>
*Refer note 2.32		



Ananya Finance for Inclusive Growth Private Limited  
Notes to the financial statements for the year ended 31st March 2018 (continued)

2.10 Tangible Assets

Particulars	Gross block						Depreciation			Net block		
	As at 1st April 2017	Additions	Disposals	As at 31st March 2018	As at 1st April 2017	For the year	Disposals	As at 31st March 2018	As at 31st March 2018	As at 31st March 2018	As at 31st March 2017	
	Furniture and fixtures	76,226	22,724	-	98,950	31,548	13,914	-	45,462	53,488	44,678	
Office equipment	4,97,108	1,65,131	-	6,62,239	2,99,419	80,544	-	3,79,963	2,82,276	1,97,689		
Computers	13,68,869	2,15,119	-	15,83,988	9,02,042	3,17,853	-	12,19,895	3,64,093	4,66,827		
<b>Total</b>	<b>19,42,203</b>	<b>4,02,974</b>	<b>-</b>	<b>23,45,177</b>	<b>12,33,009</b>	<b>4,12,311</b>	<b>-</b>	<b>16,45,320</b>	<b>6,99,857</b>	<b>7,09,194</b>		
Previous year	20,31,493	5,25,851	-	25,57,344	15,61,011	2,87,138	-	18,48,150	7,09,194	-		

2.11 Intangible Assets

Particulars	Gross block			Amortisation			Net block		
	As at 1st April 2017	Additions	Disposals	As at 31st March 2018	As at 1st April 2017	For the year	Disposals	As at 31st March 2018	As at 31st March 2017
	Software	12,60,000	7,13,966	-	19,73,966	12,60,000	1,33,297	-	13,93,297
Intangible assets*	3032,00,000	-	-	3032,00,000	3032,00,000	-	-	3032,00,000	-
<b>Total</b>	<b>3044,60,000</b>	<b>7,13,966</b>	<b>-</b>	<b>3051,73,966</b>	<b>3044,60,000</b>	<b>1,33,297</b>	<b>-</b>	<b>3045,93,297</b>	<b>5,80,669</b>
Previous year	3044,60,000	-	-	3044,60,000	3044,60,000	-	-	3044,60,000	-

\* Intangible assets acquired as per business transfer agreement with F.W.W.B represent microfinance customer acquisition cost including customer profiling, customer credit history, technical knowhow, market knowhow and associated lending and investment methods and procedures.



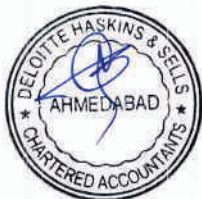
Ananya Finance for Inclusive Growth Private Limited  
Notes to the financial statements for the year ended 31st March 2018 (continued)

	As at 31st March 2018 Rupees	As at 31st March 2017 Rupees
<b>2.12 Non-current investments</b> <i>(valued at cost, unless stated otherwise)</i>		
<b>Trade Investments (Unquoted)</b>		
<b>Investments in preference shares (fully paid-up)</b>		
Nil (previous year: 4,55,000) 0% Non - convertible cumulative redeemable preference shares of Rs 10 each of Access Livelihood Consulting India Limited	-	45,50,000
7,01,930 (previous year: 3,27,250) 0.001% optionally convertible cumulative redeemable preference shares of Rs 10 each of Asmitha Microfin Limited	70,19,020	32,72,500
Nil (previous year: 3,85,000) 0.001% optionally convertible cumulative redeemable preference shares of Rs 10 each of Share Microfin Limited	-	38,50,000
Less: Provision for permanent diminution in the value of investments	(70,19,020)	(71,22,500)
<b>Trade Investments (Quoted)</b>		
<b>Investment in mutual funds (fully paid-up)</b>		
Nil (previous year: 286112.40) units of Reliance corporate bond fund - direct plan-growth	-	37,44,723
	<u>-</u>	<u>82,94,723</u>
Aggregate amount of unquoted non-current investments	-	45,50,000
Aggregate amount of quoted non-current investments	-	37,44,723
<b>2.13 Deferred tax assets, net</b> <i>Tax effect of items constituting deferred tax assets</i>		
Disallowances under Section 43B of Income Tax Act, 1961	3,38,777	11,82,855
Disallowances under Section 36 of Income Tax Act, 1961	76,34,413	83,31,887
Timing Difference between book and income tax depreciation	87,19,076	144,30,036
Unabsorbed depreciation carried forward*	67,84,982	61,65,265
	<u>234,77,248</u>	<u>301,10,043</u>
*Deferred tax asset on unabsorbed depreciation has been recognised to the extent of future expected profit estimated considering the planned level of operations and borrowings that will generate sufficient future taxable income.		
<b>2.14 Long-term loans and advances</b>		
Secured		
Loan portfolio considered good*	4654,07,781	2129,67,909
Other non-performing assets**	82,73,738	30,90,593
Unsecured, considered good		
Rental deposits with related party	73,500	73,500
Advance tax [net of provision of Rs. 82,55,776 (previous year: Rs. 82,55,776)]	667,18,352	487,42,246
	<u>5404,73,371</u>	<u>2648,74,248</u>
*Represents standard assets in accordance with classification of assets as per RBI Prudential norms for NBFCs (Refer note 2.32)		
**Represents Non Performing Assets in accordance with classification of assets as per RBI Prudential norms for NBFCs (Refer note 2.32)		
<b>2.15 Other non-current assets</b> <i>Unsecured, considered good</i>		
Bank deposit (with more than 12 months maturity)*	692,80,000	370,00,000
Interest accrued on bank deposits	27,56,605	10,38,235
	<u>720,36,605</u>	<u>380,38,235</u>
* Represents deposit Rs 6,92,80,000/- (Previous Year : Rs 3,70,00,000/-) held as margin money against loans availed by the Company.		



Ananya Finance for Inclusive Growth Private Limited  
Notes to the financial statements for the year ended 31st March 2018 (continued)

	As at 31st March 2018 Rupees	As at 31st March 2017 Rupees
<b>2.16 Current investments</b>		
<b>Trade Investments (Unquoted)</b>		
<b>Current portion of Long Term Investment</b>		
<b>Investments in preference shares (fully paid-up)</b>		
8,00,000 (previous year: 3,45,000) 0% Non - convertible cumulative redeemable preference shares of Rs 10 each of Access Livelihood Consulting India Limited	80,00,000	34,50,000
<b>Investment in mutual funds (fully paid-up) - quoted</b>		
4,27,830.157 (previous year: 2,63,837.524) units of Reliance corporate bond fund - direct plan-growth	55,33,461	32,80,846
Nil (previous year: 65,712.464) units of Reliance short term fund - direct plan-growth	-	20,56,100
	<u>135,33,461</u>	<u>87,86,946</u>
There is a lien on above Mutual Funds against the loan obtained from Reliance Capital Limited (For Security refer Note 2.29)		
Aggregate amount of unquoted investments	80,00,000	34,50,000
Aggregate amount of quoted investments	55,33,461	53,36,946
Aggregate market value of quoted investments	61,94,767	55,35,786
<b>2.17 Trade Receivables</b>		
Unsecured, considered good	-	2,28,125
	<u>-</u>	<u>2,28,125</u>
<b>2.18 Cash and cash equivalents</b>		
<b>(a) Cash and cash equivalents (as per AS 3 Cash Flow Statements)</b>		
Cash on hand	1,681	3,419
Balances with banks		
- in current accounts	194,49,563	244,68,973
- in bank deposits	160,00,300	-
	<u>354,51,244</u>	<u>244,72,392</u>
<b>(b) Other bank balances</b>		
- in bank deposits (with less than 12 months maturity)*	497,20,300	484,63,774
	<u>851,71,244</u>	<u>729,36,166</u>
* Represents deposits of Rs 4,97,20,000/- (Previous Year: Rs 4,84,63,774/-) held as margin money against loans availed by the Company		
<b>2.19 Short-term loans and advances</b>		
<b>Secured</b>		
Loan portfolio considered good*	9245,27,598	7665,33,712
Other non-performing assets**	18,78,450	-
<b>Unsecured, considered good</b>		
Prepaid expenses	2,58,923	2,56,231
Advances to others	1,13,425	1,200
Balances with Government Authorities	2,66,100	71,553
	<u>9270,44,496</u>	<u>7668,62,696</u>
* Represents standard assets in accordance with classification of assets as per RBI Prudential norms for NBFCs (Refer note 2.32)		
** Represents Non Performing Assets in accordance with classification of assets as per RBI Prudential norms for NBFCs (Refer note 2.32)		
<b>2.20 Other current assets</b>		
Interest accrued on bank deposits	25,64,751	44,47,925
Interest accrued and due on loan portfolio	55,385	44,429
Interest accrued but not due on loan portfolio	1,05,790	3,37,700
Receivable for payments made on behalf of a party	3,15,086	3,85,054
	<u>30,41,012</u>	<u>52,15,108</u>



Ananya Finance for Inclusive Growth Private Limited  
Notes to the financial statements for the year ended 31st March 2018 (continued)

	For the year ended 31st March 2018 Rupees		For the year ended 31st March 2017 Rupees	
<b>2.21 Revenue from operations</b>				
Interest income on loan portfolio		1531,77,386		1215,55,682
Income from business facilitation		1,60,505		5,07,410
Processing fees on loan portfolio		152,08,510		108,55,672
Other operating revenues		69,29,460		46,37,500
		<u>1754,75,861</u>		<u>1375,56,264</u>
<b>2.22 Other income</b>				
Interest income on fixed deposit		75,13,484		59,00,934
Net gain on sale of current investment		3,67,755		9,55,395
Premium received on redemption of Investment in Preference Shares		1,50,528		-
Provision for Investment Impairment written back		1,03,480		-
Interest on Income Tax refund		8,48,785		15,04,582
Miscellaneous income		257		1,01,570
		<u>89,84,289</u>		<u>84,62,481</u>
<b>2.23 Employee benefits expense</b>				
Salaries, wages and bonus	206,44,253		205,04,456	
Less: Reimbursements	<u>3,86,526</u>	202,57,727	<u>23,19,157</u>	181,85,299
Contribution to provident and other funds (Refer note 2.38)	<u>18,48,227</u>		<u>15,81,576</u>	
Less: Reimbursements	<u>30,924</u>	18,17,303	<u>1,85,543</u>	13,96,033
Gratuity Expense (Refer note 2.38)		-26,94,947		13,29,012
Staff welfare expenses		<u>1,67,305</u>		<u>2,60,145</u>
		<u>195,47,388</u>		<u>211,70,489</u>
<b>2.24 Finance costs</b>				
Interest expenses on term loans		867,20,375		533,76,254
Interest expenses on Security Deposit		88,57,497		78,65,733
Other borrowing cost		156,98,095		108,59,552
Expenditure for Poorest State Initiative Growth Project		74,75,207		140,89,740
		<u>1187,51,174</u>		<u>861,91,279</u>
<b>2.25 Depreciation and amortisation</b>				
Depreciation and amortisation		<u>5,45,608</u>		<u>2,87,138</u>
		<u>5,45,608</u>		<u>2,87,138</u>
<b>2.26 Provisions and write offs</b>				
Provision on standard assets		10,26,084		6,45,776
Provision on non performing assets		5,47,712		-
Provision/(Reversal of Provision) for diminution in the fair value of restructured advances		(1,45,727)		(1,56,016)
Write off of Loans		3,46,975		-
		<u>17,75,044</u>		<u>4,89,760</u>
<b>2.27 Other expenses</b>				
Power and fuel		1,50,597		1,43,755
Rent (Refer note 2.34)		17,29,111		15,24,850
Repairs and maintenance				
- others		3,87,717		3,10,282
Insurance		3,51,327		3,82,902
Rates and taxes		2,35,288		1,17,202
Communication expenses		4,46,877		3,74,740
Printing and stationery		99,112		54,952
Travelling and conveyance		21,10,860		18,51,298
Legal and professional fees		28,89,074		32,65,664
Payment to Auditors (Refer note 2.35)		11,72,623		10,22,408
Directors' sitting fees		5,15,000		5,12,500
Office expenses		6,59,205		4,73,328
Membership fees		1,16,825		2,98,950
Training and workshop expenses		1,20,759		18,65,027
Miscellaneous expenses		49,116		22,007
		<u>110,33,491</u>		<u>122,19,865</u>





	For the year ended 31st March 2018 Rupees	For the year ended 31st March 2017 Rupees
<b>2.18 Earnings per share</b>		
Net profit or loss for the period (after reducing cumulative dividend on preference shares for the current year)	255,74,284	183,89,219
Weighted average no. of shares used in computing Basic EPS (In nos.) **	120,84,910	121,10,607
Face value of equity shares	10	10
<b>Basic Earning Per Share</b>	<b>2.12</b>	<b>1.52</b>
Profit after tax for Dilutive EPS (after adding back cumulative dividend on preference shares for the current year)	261,74,651	183,89,219
Weighted average number of Equity Shares used in computing Basic earnings per share	120,84,910	121,10,607
Add Potential weighted average number of Equity shares that could arise on conversion of preference shares	10,65,623	-
<b>Weighted average number of shares in computing Diluted earnings per share</b>	<b>131,50,533</b>	<b>121,10,607</b>
Face value of equity shares	10	10
<b>Diluted earnings per share</b>	<b>1.99</b>	<b>1.52</b>

Note

\*\*The weighted average number of shares outstanding during previous year have been adjusted for the effect of capital reduction (Refer note 2.1.5) and bonus issue (Refer Note 2.1.4), as per the requirement of AS 20.

\*\*Since the number of equity shares issuable on conversion of compulsorily convertible preference shares was not determinable, the weighted average number of equity shares for computing diluted earnings per share was not ascertainable. Under such circumstances, its consequential impact on dilution of earnings per share had not been considered in the previous year.

**2.29 Terms of borrowings**

Name of the lender	31-Mar-18 Amount outstanding		31-Mar-17 Amount outstanding		Maturity date	Frequency	No. of installments due	Rate of Interest
	Long term maturity	Current maturity	Long term maturity	Current maturity				
<b>Secured term loans from banks</b>								
IDBI Bank <sup>(1)</sup>	-	-	-	214,28,576	30-Nov-17	Monthly	-	13.00%
IDBI Bank <sup>(1)</sup>	-	-	-	285,71,432	28-Feb-18	Monthly	-	13.00%
IDBI Bank <sup>(1)</sup>	-	476,19,057	476,19,056	523,80,944	31-Dec-18	Monthly	10	12.20%
Union Bank of India <sup>(2)</sup>	-	-	-	207,61,910	31-Jul-17	Monthly	-	11.65%
Union Bank of India <sup>(2)</sup>	772,72,727	545,43,674	-	-	31-Aug-20	Monthly	29	11.20%
Union Bank of India <sup>(2)</sup>	318,18,182	181,81,818	-	-	31-Dec-20	Monthly	33	11.20%
State Bank of India <sup>(3)</sup>	80,00,000	288,00,000	368,00,000	288,00,000	30-Jun-19	Monthly	15	11.75%
State Bank of India <sup>(3)</sup>	375,00,000	300,00,000	-	-	30-Jun-20	Monthly	27	11.75%
Rabobank <sup>(4)</sup>	-	8,59,130	-	442,64,828	-	CC	-	11.50%
<b>Total</b>	<b>1545,90,909</b>	<b>1800,03,679</b>	<b>844,19,056</b>	<b>1962,07,690</b>				
<b>Unsecured loan from financial institutions</b>								
NABARD	-	-	-	17,50,000	30-Apr-17	Half yearly	-	7.50%
SIDBI	-	-	-	1000,00,000	31-Mar-18	Monthly	-	Interest free
SIDBI	-	-	-	500,00,000	31-Mar-18	Monthly	-	Interest free
<b>Total</b>	-	-	-	<b>1517,50,000</b>				
<b>Secured loan from others</b>								
Nabkisan Finance Ltd <sup>(5)</sup>	-	134,70,813	134,89,994	180,00,000	31-Oct-18	Quarterly	3	11.50%
Nabkisan Finance Ltd <sup>(5)</sup>	-	59,86,467	59,95,741	80,00,000	31-Dec-18	Quarterly	3	11.50%
Nabkisan Finance Ltd <sup>(5)</sup>	24,89,049	100,00,000	124,96,307	100,00,000	31-May-19	Quarterly	5	11.50%
Nabkisan Finance Ltd <sup>(5)</sup>	29,97,488	40,00,000	69,99,935	30,00,000	30-Nov-19	Quarterly	7	11.50%
Nabkisan Finance Ltd <sup>(5)</sup>	363,54,474	290,90,908	-	-	31-May-20	Quarterly	9	11.50%
Nabkisan Finance Ltd <sup>(5)</sup>	409,09,091	90,90,909	-	-	30-Apr-21	Quarterly	11	11.50%
Reliance Capital Ltd <sup>(6)</sup>	-	-	-	181,49,433	1-Jun-17	Monthly	-	14.00%
Reliance Capital Ltd <sup>(6)</sup>	-	140,74,169	140,74,172	516,45,403	1-Jun-18	Monthly	3	14.00%
Reliance Capital Ltd <sup>(6)</sup>	-	533,51,125	533,51,125	466,48,875	1-Mar-19	Monthly	12	13.50%
Reliance Capital Ltd <sup>(6)</sup>	-	74,69,158	74,69,158	65,30,842	5-Mar-19	Monthly	12	13.50%
Reliance Capital Ltd <sup>(6)</sup>	254,10,477	341,65,509	-	-	15-Nov-19	Monthly	20	13.25%
Mudra <sup>(7)</sup>	360,00,000	360,00,000	72,00,000	180,00,000	10-Mar-20	Monthly	24	12.30%
Mudra <sup>(7)</sup>	487,87,880	212,12,120	-	-	10-Feb-21	Monthly	33	11.00%
Mahindra & Mahindra Financial Services Limited <sup>(8)</sup>	201,60,791	242,22,042	-	-	20-Dec-19	Monthly	21	12.00%
Tata Capital Financial Services Limited <sup>(8)</sup>	533,33,380	399,99,960	-	-	5-Jul-20	Monthly	28	10.90%
Axians <sup>(9)</sup>	244,63,640	236,91,828	-	-	25-Feb-20	Monthly	23	12.50%
Nahard Financial Services Limited <sup>(10)</sup>	566,55,048	399,99,996	-	-	12-Aug-20	Monthly	29	12.90%
Nabsamruddhi Finance Limited <sup>(11)</sup>	666,64,000	333,36,000	-	-	31-Mar-21	Monthly	36	11.75%
<b>Total</b>	<b>4142,25,318</b>	<b>3991,61,004</b>	<b>1858,76,432</b>	<b>1799,74,553</b>				
<b>Grand total</b>	<b>5688,16,227</b>	<b>5791,64,683</b>	<b>2702,95,488</b>	<b>5279,32,243</b>				

<sup>(1)</sup> Secured by way of hypothecation of book debts and pledge of Rs 1,00,00,000/- (previous year: Rs 3,84,63,773) term deposit.

<sup>(2)</sup> Secured by way of hypothecation of book debts and pledge of Rs 2,80,00,000 (previous year: Rs 50,00,000) term deposit.

<sup>(3)</sup> Secured by way of hypothecation of book debts and pledge of Rs 2,75,00,000 (previous year: Rs 1,00,00,000) term deposit.

<sup>(4)</sup> Secured by way of hypothecation of book debts and pledge of Rs 35,00,000 (previous year: Rs 50,00,000) term deposit and Rs 55,33,469.59 in mutual fund (previous year: 90,81,669.08).

<sup>(5)</sup> Secured by way of hypothecation of book debts and pledge of Rs 1,60,00,000 (previous year: Rs 80,00,000) term deposit.

<sup>(6)</sup> Secured by way of hypothecation of book debts and pledge of Rs 90,00,000 (previous year: Rs 90,00,000) term deposit.

<sup>(7)</sup> Secured by way of hypothecation of book debts.

<sup>(8)</sup> Secured by way of hypothecation of book debts and pledge of Rs 1,00,00,000/- (previous year: Rs Nil) term deposit.

<sup>(9)</sup> Secured by way of hypothecation of book debts and pledge of Rs 50,00,000/- (previous year: Rs Nil) term deposit.

<sup>(10)</sup> Secured by way of hypothecation of book debts and pledge of Rs 50,00,000/- (previous year: Rs Nil) term deposit.

<sup>(11)</sup> Secured by way of hypothecation of book debts and pledge of Rs 50,00,000/- (previous year: Rs Nil) term deposit.

<sup>(12)</sup> Secured by way of hypothecation of book debts.



Ananya Finance for Inclusive Growth Private Limited  
Notes to the financial statements for the year ended 31st March 2018 (continued)

2.30 Expenditure in foreign currency

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Travelling expenses	-	-
Membership Fees	-	-

2.31 Contingent liability

Particulars	As at 31st March 2018 Rupees	As at 31st March 2017 Rupees
Accumulated dividend on Preference Shares not provided (Refer note 2.1.2(b))	5,11,805	6,26,69,117
Claims against the company not acknowledge as debt - Income Tax*	4,45,00,276	4,18,43,877

\* Rs. 92,00,000 (Previous year Rs.92,00,000) paid under protest for income tax litigations and Rs.3,57,22,652 (Previous year Rs. 2,48,88,142) TDS adjusted against demand.

Management is of the view that no liability will arise on the company for any of the income tax related litigations

2.32 Loan portfolio classification and provisioning

(a) Provision for outstanding loan portfolio

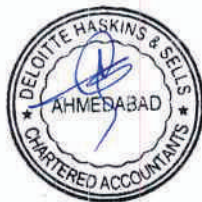
Asset classification	As at 31st March 2018 Rupees		As at 31st March 2017 Rupees	
	Loan Portfolio	Provision	Loan Portfolio	Provision
Standard Assets	1,38,99,35,379	34,74,838	97,95,01,621	24,48,754
Sub standard Assets	1,01,52,188	10,15,219	29,14,540	2,91,454
Doubtful Assets	-	-	-	-
Loss Assets	-	-	1,76,053	1,76,053
Total	1,40,00,87,567	44,90,057	98,25,92,214	29,16,261

(b) The movement in provision for the year ended 31st March 2018 and 31st March 2017

Particulars	As at 31st March 2018 Rupees			As at 31st March 2017 Rupees		
	Standard asset provision	Non-performing asset provision	Total	Standard asset provision	Non-performing asset provision	Total
Opening balance	24,48,754	4,67,507	29,16,261	18,02,978	4,67,507	22,70,485
Additions	10,26,084	10,15,219	20,41,303	6,45,776	-	6,45,776
Reduction	-	(4,67,507)	(4,67,507)	-	-	-
Closing balance	34,74,838	10,15,219	44,90,057	24,48,754	4,67,507	29,16,261

(c) Provision for diminution in the fair value of restructured advances

During the year, the Company has made a reversal of provision (net) amounting to Rs.145,727/- (Previous Year: Rs.156,016) for diminution in the fair value of restructured advances in accordance with the Master Direction No. - DNBR.PD.007/03.10.119/2016-17 dated September 01, 2016 on Non-Banking Financial Company - Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016.



**Ananya Finance for Inclusive Growth Private Limited**  
**Notes to the financial statements for the year ended 31st March 2018 (continued)**

**2.33 Segment information**

The company is engaged primarily in the business of financing and all its operations are in India only. Accordingly there are no separate reportable segments as per Accounting Standard 17 - "Segment Reporting" specified under section 133 of the Companies Act, 2013.

**2.34 Leases**

Lease payments made under cancellable operating lease amounting to Rs.17,29,111 (previous year: Rs.15,24,850) disclosed as rent and the same have been recognised as an expense in the Statement of Profit and Loss. The company has not entered into any non - cancellable operating or finance leases.

**2.35 Payment to Auditors (Excluding service tax , GST)**

Particulars	For the year ended 31st March 2018 Rupees	For the year ended 31st March 2017 Rupees
Audit fees	9,25,000	7,42,500
Certification services	-	1,97,500
Reimbursement of expenses	5,681	9,101
<b>Total</b>	<b>9,30,681</b>	<b>9,49,101</b>

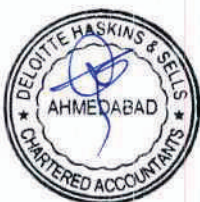
**2.36 Related party disclosures**

**(a) Names of related party and nature of relationship**

Names	Nature of relationship
Vijayalakshmi Das – Managing Director Upto 31.05.2017	Key Management Personnel ("KMP")
Subraya Shankar Bhat - Joint Managing Director from 01.02.2017 Managing Director from 01.06.2017	Key Management Personnel ("KMP")
Friends of WWB, India (FWWB) – a trust registered under the Bombay Public Charitable Trust Act, 1950	Entity in which KMP have significant influence

**(b) Particulars of related party transactions**

Name of the related party	Nature of transactions	For the year ended 31st March 2018 Rupees	For the year ended 31st March 2017 Rupee
Friends of WWB, India	Interest expense	-	35,273
	Other borrowing costs	-	7,74,535
	Principal repayments of borrowings	-	3,28,81,958
	Bank charges reimbursed to FWWB	-	10,156
	Rent paid	17,29,111	15,24,850
	Electricity Expenses paid	1,50,597	1,43,755
	Consultancy fees for training paid	3,02,000	1,35,000
	Reimbursement received for the remuneration paid	3,86,526	25,04,700
Subraya Shankar Bhat	Consultancy Charges	41,79,996	6,66,333
Vijayalakshmi Das	Remuneration paid	7,73,054	46,38,323



Ananya Finance for Inclusive Growth Private Limited  
Notes to the financial statements for the year ended 31st March 2018 (continued)

2.36 Related party disclosures (continued)

(c) The Company has the following amounts dues to / receivable from related parties

Name of the related party	Nature of receivables / (payables)	Amount receivable / (payable) as at 31st March 2018 Rupees	Amount receivable / (payable) as at 31st March 2017 Rupees
Friends of Women's World Banking, India	Rental deposit	73,500	73,500

2.37(a) Break up of loan portfolio

Loan Portfolio	For the year ended	For the year ended
	31st March 2018 Rupees	31st March 2017 Rupees
Opening Loan outstanding	98,25,92,214	72,42,81,613
Loans disbursed during the Year	1,62,21,99,988	1,11,85,75,000
<b>A</b>	<b>2,60,47,92,202</b>	<b>1,84,28,56,613</b>
Loans assigned during the Year	18,59,05,873	
Loans recovered during the year on owned portfolio	1,01,87,98,761	86,02,64,399
<b>B</b>	<b>1,20,47,04,634</b>	<b>86,02,64,399</b>
Loans outstanding at the end of the year (A-B)	<b>1,40,00,87,568</b>	<b>98,25,92,214</b>
Assigned Portfolio	<b>12,16,87,781</b>	-
Assets Under Management	<b>1,52,17,75,349</b>	<b>98,25,92,214</b>

2.37(b) Details of Assignment transactions undertaken by NBFCs:

1 No. of accounts*	49
2 Aggregate value (net of provisions) of accounts sold	18,59,05,873
3 Aggregate consideration	18,59,05,873
4 Additional consideration realized in respect of accounts transferred in earlier years	nil
5 Aggregate gain / loss over net book value	nil

\* Total value of the Loans sold under direct assignment route is Rs. 20,65,62,081. Company has retained 10% interest in the Loans sold.

Assigned Portfolio as on 31.3.2018 is Rs. 12,16,87,781

2.38 a) Employee benefit plans

The company has a defined benefit gratuity plan. Every employee is entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service in line with the payment of Gratuity Act, 1972. The same is payable at the time of separation from the Company or retirement, whichever is earlier.

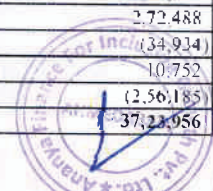
The following tables set out the status of the gratuity plan as required under AS 15 (Revised)

i) Movement in present values of defined benefit obligation

Particulars	For the year ended 31st March 2018 Rupees	For the year ended 31st March 2017 Rupees
Defined benefit obligation at the beginning of the year	61,15,203	47,94,070
Current service cost	4,48,158	6,43,333
Interest cost	4,70,871	3,28,394
Actuarial losses (gains)	(37,04,162)	6,05,591
Benefits paid	(16,68,955)	(2,56,185)
<b>Defined benefit obligation at the end of the year</b>	<b>16,61,115</b>	<b>61,15,203</b>

ii) Movement in fair value of plan assets

Particulars	For the year ended 31st March 2018 Rupees	For the year ended 31st March 2017 Rupees
Fair value of plan assets at the beginning of the year	37,23,956	37,31,835
Expected return on plan assets	2,23,431	2,72,488
Actuarial gains (losses)	(3,38,059)	(34,934)
Contributions paid	24,442	10,752
Benefits paid	(16,68,955)	(2,56,185)
<b>Fair value of plan assets at the end of the year</b>	<b>19,64,815</b>	<b>37,23,956</b>



Ananya Finance for Inclusive Growth Private Limited  
Notes to the financial statements for the year ended 31st March 2018 (continued)

2.38 a) Employee benefit plans (continued)  
iii) Expense recognised in Statement of Profit and Loss

Particulars	For the year ended 31st March 2018 Rupees	For the year ended 31st March 2017 Rupees
Current service cost	4,48,158	6,43,333
Interest on obligation	4,70,871	3,28,394
Expected return on plan assets	(2,23,431)	(2,72,488)
Net actuarial loss/(gain) recognised in the year	(33,66,103)	6,40,526
<b>Total included in employee benefits expense</b>	<b>(26,70,505)</b>	<b>13,39,765</b>

iv) Principal actuarial assumptions

Particulars	For the year ended 31st March 2018 Rupees	For the year ended 31st March 2017 Rupees
Discount Rate	7.70%	6.85%
Expected return on plan assets	7.70%	7.55%
Future salary increase	7.00%	7.00%
Retirement Age	60 Yrs	60 Yrs
Withdrawal rate	5% at younger ages and reducing to 1% at older ages according to graduated scale	5% at younger ages and reducing to 1% at older ages according to graduated scale

**Discount rate:** The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

**Expected rate of return on plan assets:** This is based on the expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

**Salary escalation rate:** The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

**Mortality Rate:** Mortality rate as given under Indian Assured Lives Mortality (2006-08) ultimate

v) Asset / (liability) recognised in balance sheet

Particulars	As at 31st March 2018 Rupees	As at 31st March 2017 Rupees
Present value of obligation	16,61,115	61,15,203
Fair value of plan assets	19,64,815	37,23,956
<b>Liability recognised in balance sheet</b>	<b>(3,03,700)</b>	<b>23,91,247</b>

vi) Asset information:

Category of Assets	As at 31st March 2018 Rupees	As at 31st March 2017 Rupees
Insurer managed funds	100.00%	93.31%
Bank Balance		6.69%

vii) Amount recognised in Balance Sheet for the last five years:

Particulars	As at 31st March 2018 Rupees	As at 31st March 2017 Rupees	As at 2016 Rupees	As at 31st March 2015 Rupees	As at 31st March 2014 Rupees
Defined benefit obligation	16,61,115	61,15,203	47,94,070	40,34,806	35,39,075
Fair value of plan assets	19,64,815	37,23,956	37,31,835	32,13,658	31,24,066
<b>Deficit in the plan</b>	<b>(3,03,700)</b>	<b>23,91,247</b>	<b>10,62,235</b>	<b>8,21,148</b>	<b>4,15,009</b>
Experience Adjustment On Plan Liabilities	(35,02,928)	4,33,315	56,223	48,405	(4,14,303)
Experience Adjustment on Plan Assets	(3,38,059)	(34,934)	(2,921)	60,668	(5,364)

b) Defined contribution plan

Amount recognised in Statement of Profit and Loss towards	For the year ended 31st March 2018 Rupees	For the year ended 31st March 2017 Rupees
i) Provident fund	12,15,197	13,21,104
ii) Employee state insurance	23,817	12,263
<b>Total</b>	<b>12,39,014</b>	<b>13,33,367</b>



Ananya Finance for Inclusive Growth Private Limited  
Notes to the financial statements for the year ended 31st March 2018 (continued)

2.39 Asset Liability Management - Maturity pattern of certain items of assets and liabilities

In Rupees

As at 31st March 2018	1 day to 30/31 day (one month)	Over one month to 2 months	Over 2 months to 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
<b>Liabilities</b>									
Borrowings	4,85,16,862	5,49,67,122	4,84,93,262	14,32,66,165	28,39,21,276	56,42,70,768	45,45,455	-	1,14,79,80,910
<b>Assets</b>									
Loans & Advances	8,83,50,263	8,54,11,759	8,45,84,927	24,85,54,423	41,95,04,676	47,36,81,519	-	-	1,40,00,87,567
Investments #	33,78,221	-	44,26,128	7,47,076	19,82,036	-	-	-	1,05,33,461

# The above investments are net of advance received against the investments Rs. 30,00,000 during the current year.

As at 31st March 2017	1 day to 30/31 day (one month)	Over one month to 2 months	Over 2 months to 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
<b>Liabilities</b>									
Borrowings	3,27,80,791	3,39,56,377	4,86,21,955	12,17,05,445	29,08,67,675	27,02,95,488	-	-	79,82,27,731
<b>Assets</b>									
Loans & Advances	7,13,55,008	7,01,49,017	6,13,91,057	19,75,17,198	36,61,21,433	21,60,58,501	-	-	98,25,92,214
Investments	-	-	13,39,627.00	12,87,177.00	61,60,142.00	82,94,723	-	-	1,70,81,669



Ananya Finance for Inclusive Growth Private Limited

Notes to the financial statements for the year ended 31st March 2018 (continued)

2.40 Amounts payable to Micro, Small and Medium enterprises

The company has not received any intimation from vendors regarding their status under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006. In view of this, information required under section 22 of MSMED Act, 2006 to that extent is not given.

2.41 Disclosure as required in terms of Paragraph 13 of Non Banking Financial (Non - Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007

Particulars		(In Rs.)		
	Liability Side	Amount out-standing	Amount overdue	
<b>1</b>	<b>Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:</b>			
a	Debtures - Secured	Nil	Nil	Nil
	Unsecured	Nil	Nil	Nil
	(other than falling within the meaning of public deposits*)			
b	Deferred Credits	Nil	Nil	Nil
c	Term Loans	1,14,71,21,780		
d	Inter-corporate loans and borrowing	Nil	Nil	Nil
e	Commercial Paper	Nil	Nil	Nil
f	Public Deposits*	Nil	Nil	Nil
g	Other Loans	Nil	Nil	Nil
	Cash Credit from Bank	8,59,130	Nil	Nil
	* Please see Note 1 below			
<b>2</b>	<b>Break-up of (1)(f) above (outstanding public deposits inclusive of interest accrued thereon but not paid):</b>			
a	In the form of Unsecured Debtures	Nil	Nil	Nil
b	In the form of Partly Secured debtures i.e. debtures where there is a shortfall in the value of security	Nil	Nil	Nil
c	Other Public deposits	Nil	Nil	Nil
	*Please see note 1 below			
	<b>Assest Side</b>		<b>Amount Outstanding</b>	
<b>3</b>	<b>Break up of Loans and advances including bills receivables[other than those included in (4) below]:</b>			
a	Secured			1,40,00,87,567
b	Unsecured		Nil	
<b>4</b>	<b>Break up of Leased Assets and stock on hire and other assests counting towards AFC activities</b>			
i	Lease assets including lease rentals under sundry debtors:			
a	Financial Lease		Nil	
b	Operating Lease		Nil	
ii	Stock on hire including hire charges under sundry debtors:			
a	Assests on hire		Nil	
b	Repossessed Assests		Nil	
iii	Other Loans counting towards AFC activities:			
a	Loans where assests have been repossessed		Nil	
b	Loan other than (a) Above		Nil	



5	Break up of Investments			
	<b>Current Investments</b>			
1	<b>Quoted</b>			
i	Shares		Nil	
	a. Equity		Nil	
	b. Preference		Nil	
ii	Debentures and Bonds		Nil	
iii	Units of Mutual Funds			55,33,461
iv	Government Securities		Nil	
v	Others (please specify)		Nil	
2	<b>Unquoted</b>			
i	Shares			
	a. Equity		Nil	
	b. Preference			80,00,000
ii	Debentures and Bonds		Nil	
iii	Units of Mutual Funds		Nil	
iv	Government securities		Nil	
v	Others (Please specify)		Nil	
	<b>Long Term Investments</b>			
1	<b>Quoted</b>			
i	Shares		Nil	
	a. Equity		Nil	
	b. Preference		Nil	
ii	Debentures and Bonds		Nil	
iii	Units of Mutual Funds		Nil	
iv	Government Securities		Nil	
v	Others (please specify)		Nil	
2	<b>Unquoted</b>			
i	Shares		Nil	
	a. Equity		Nil	
	b. Preference		Nil	
ii	Debentures and Bonds		Nil	
iii	Units of Mutual Funds		Nil	
iv	Government securities		Nil	
v	Others (Please specify)		Nil	
6	Borrowers group wise classification of assets financed as in (3) and (4) above			
	Please see note 2 below			
	<b>Category</b>	<b>Amount net of Provisions</b>		
		<b>Secured</b>	<b>Unsecured</b>	<b>Total</b>
1	<b>Related Parties**</b>	Nil	Nil	Nil
	a. Subsidiaries	Nil	Nil	Nil
	b. Companies in the same group	Nil	Nil	Nil
	c. Other Related parties	Nil	Nil	Nil
2	<b>Other than related parties</b>	1,39,55,97,510	Nil	1,39,55,97,510
	<b>Total</b>	1,39,55,97,510		1,39,55,97,510
7	Investor group wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):			
	Please see note 3 below			
	<b>Category</b>	<b>Market Value/Break up or FAIR Value or NAV</b>	<b>Book Value (Net of Provisions)</b>	
1	<b>Related parties**</b>			
	a. Subsidiaries	Nil	Nil	
	b. Companies in the same group	Nil	Nil	
	c. Other Related parties	Nil	Nil	
2	<b>Other than related parties</b>	1,41,94,767	1,35,33,461	
	<b>Total</b>	1,41,94,767	1,35,33,461	
	** As per Accounting Standard of ICAI (Please see Note 3)			



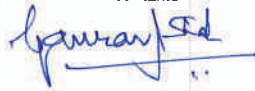


8	Other Information		
	Particulars		Amount
i	Gross Non-Performing Assests		
	a. Related Parties		Nil
	b. Other than related parties		1,01,52,188
ii	Net Non performing Assests		
	a. Related parties		Nil
	b. Other than related parties		91,36,969
iii	Assets acquired in satisfaction of Debt		89,020
<b>Notes:</b>			
1	As defined in point XIX of paragraph 3 of chapter 2 of these Directions.		
2	Provisioning norms shall be applicable as prescribed in these Directions.		
3	All Accounting standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investment shall be disclosed irrespective of whether they are classified as long term or current in (5) above		

2.42 Previous year's figures have been regrouped / reclassified, where necessary, to conform to current year's presentation

In terms of our report attached

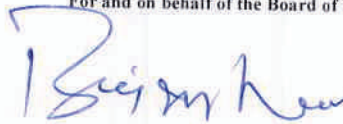
For Deloitte Haskins & Sells  
Chartered Accountants



Gaurav J Shah  
Partner

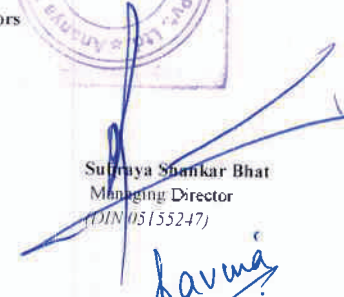
Place: Ahmedabad  
Date: 29/06/2018

For and on behalf of the Board of Directors



Brij Mohan  
Chairman  
(DIN 00667210)

Place: Ahmedabad  
Date: 29/06/2018

Sunita Shankar Bhat  
Managing Director  
(DIN 05155247)

Lavina Parikh  
Company Secretary