

# BSRR & Co

Chartered Accountants

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## **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 March 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information ('collectively referred to as the 'financial statements').

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

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, the financial performance and the cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ('the Act'). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India (ICAI). Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Ananya Finance for Inclusive Growth Private Limited**  
**Independent Auditors' Report (continued)**

**Opinion**

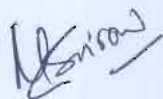
In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2014;
- ii. in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- iii. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003, as amended ("the Order"), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. As required by Section 227(3) of the Act, we report that:
  - a) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) in our opinion, proper books of account as required by law have been kept by the Company so far as 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 Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of Section 211 of the Act; and
  - e) on the basis of written representations received from the directors as on 31 March 2014, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31 March 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

for **BSRR & Co**  
*Chartered Accountants*  
Firm's Registration Number: 130791W



**Sriram Mahalingam**  
*Partner*  
Membership No. 049642

Place: Hyderabad  
Date: 13 June 2014

**ANANYA FINANCE FOR INCLUSIVE GROWTH PRIVATE LIMITED  
ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT**

The Annexure referred to in our report of even date to the members of Ananya Finance for Inclusive Growth Private Limited ("the Company") on the financial statements for the year ended 31 March 2014, we report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified every year. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noted on such verification.
- (c) Fixed assets disposed off during the year were not substantial, and therefore, do not affect the going concern assumption.
- ii. The Company is a Non-Banking Financial (Non – Deposit Accepting or Holding) Company ('NBFC'), primarily engaged in the business of providing loans. Accordingly, it does not hold any physical inventories. Hence paragraph 4(ii) of the order is not applicable.
- iii. The Company has neither granted nor taken any loans, secured or unsecured, to or from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and services rendered by the Company. The activities of the Company do not involve purchase of inventory and sale of goods. We have not observed any major weakness in the internal control system during the course of the audit.
- v. In our opinion and according to the information and explanations given to us, there are no contracts and arrangements the particulars of which need to be entered into the register maintained under section 301 of the Companies Act, 1956.
- vi. The Company has not accepted any deposits from the public.
- vii. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- viii. The Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for any of the services rendered by the Company.
- ix. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been generally regular in depositing amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Income-tax, Service tax, and other material statutory dues with the appropriate authorities during the year. As explained to us, the Company did not have any dues on account of Investor Education and Protection Fund, Employees' State Insurance, Sales-tax, Excise duty, Wealth Tax, Custom duty and cess.

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**ANANYA FINANCE FOR INCLUSIVE GROWTH PRIVATE LIMITED**  
**ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT (continued)**

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Income tax, Service tax and other material statutory dues were in arrears as at 31 March 2014 for a period of more than six months from the date they become payable.

- (b) According to the information and explanations given to us, the Company did not have any dues on account of Service tax, Customs duty, Sales tax, Wealth tax, Excise duty and cess which have not been deposited with the appropriate authorities on account of any dispute except for the following Income-tax dues:-

<i>Name of the Statute</i>	<i>Nature of Dues</i>	<i>Amount (₹ in Rupees)</i>	<i>Period to which the amount relates</i>	<i>Forum where dispute is pending</i>
Income-tax Act, 1961	Income-tax (including interest)	34,045,670 (200,000)*	Financial year 2010-11	Commissioner of Income-Tax (Appeals)

\* The amount in parenthesis represents the payment made under protest.

- x. *The accumulated losses of the Company has exceeded fifty percent of its networth as at 31 March 2014 and it has incurred cash losses in the financial year ended on that date.* No cash losses were incurred in the immediately preceding financial year.
- xi. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its bankers or to any financial institutions. The Company did not have any outstanding debentures during the year
- xii. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. In our opinion, and according to the information and explanations given to us, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society.
- xiv. According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.
- xv. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- xvi. In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they were raised.
- xvii. According to information and explanations given to us, and on an overall examination of the balance sheet of the Company, we are of the opinion that the funds raised on short term basis have not been used for long-term investment.
- xviii. The Company has not made any preferential allotment of shares to companies/firms/parties covered in the register maintained under Section 301 of the Companies Act, 1956
- xix. The Company did not have any outstanding debentures during the year.

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**ANANYA FINANCE FOR INCLUSIVE GROWTH PRIVATE LIMITED**  
**ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT (continued)**

- xx. The Company has not raised any money by way of public issue.
- xxi. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

*for BSRR & Co*  
*Chartered Accountants*  
Firm Registration No: 130791W



**Sriram Mahalingam**  
*Partner*  
Membership No: 049642

Place : Hyderabad  
Date : 13 June 2014

**Ananya Finance for Inclusive Growth Private Limited**

**Balance Sheet as at 31 March 2014**

(All amounts in Indian rupees, except share data and where otherwise stated)

	Note	As at 31 March 2014	As at 31 March 2013
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	2.1	610,100,100	430,100,000
Reserves and surplus	2.2	(412,548,072)	(246,030,661)
		<b>197,552,028</b>	<b>184,069,339</b>
<b>Non-current liabilities</b>			
Long-term borrowings	2.3	108,210,996	218,561,398
Other long-term liabilities	2.4	321,388	32,138
Long-term provisions	2.5	72,061,815	385,580,139
		<b>180,594,199</b>	<b>604,173,675</b>
<b>Current liabilities</b>			
Other current liabilities	2.6	172,357,070	209,055,763
Short-term provisions	2.7	1,152,668	2,055,268
		<b>173,509,738</b>	<b>211,111,031</b>
<b>Total</b>		<b>551,655,965</b>	<b>999,354,045</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
(i) Tangible fixed assets	2.8	90,958	1,179,998
(ii) Intangible fixed assets	2.9	60,857,485	121,916,792
		<b>60,948,443</b>	<b>123,096,790</b>
Non-current investments	2.10	6,290,000	7,122,500
Long-term loans and advances	2.11	200,848,974	621,709,808
Other non-current assets	2.12	8,486,665	11,874,992
		<b>215,625,639</b>	<b>640,707,300</b>
<b>Current assets</b>			
Current investments	2.13	832,500	5,777,500
Cash and bank balances	2.14	26,816,240	60,765,102
Short-term loans and advances	2.15	245,783,888	167,159,111
Other current assets	2.16	1,649,255	1,848,242
		<b>275,081,883</b>	<b>235,549,955</b>
<b>Total</b>		<b>551,655,965</b>	<b>999,354,045</b>
Significant accounting policies	1		
Notes to financial statements	2		

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

for **BSRR & Co**

Chartered Accountants

Firm registration number: 130791W



**Sriram Mahalingam**

Partner

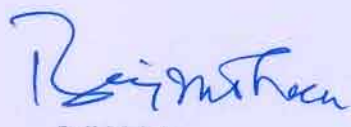

Membership No. 049642

Place: Hyderabad

Date: 13 June 2014

for and on behalf of the Board of Directors of

**Ananya Finance for Inclusive Growth Private Limited**

**Brij Mohan**  
Chairman

**Vijayalakshmi Das**  
Managing Director

Place: Ahmedabad

Date: 13 June 2014

**Ananya Finance for Inclusive Growth Private Limited**  
**Statement of Profit and Loss for the year ended 31 March 2014**  
 (All amounts in Indian rupees, except share data and where otherwise stated)

	Note	For the year ended 31 March 2014	For the year ended 31 March 2013
<b>Income</b>			
Revenue from operations	2.17	37,589,030	84,516,481
Other income	2.18	15,558,655	43,448,416
<b>Total revenue</b>		<b>53,147,685</b>	<b>127,964,897</b>
<b>Expenses</b>			
Employee benefits	2.19	10,080,012	13,587,798
Finance costs	2.20	31,537,834	76,242,644
Depreciation and amortisation	2.21	61,431,636	62,259,498
Provisions and write offs	2.22	76,415,530	109,381,390
Other expenses	2.23	11,210,021	12,291,770
Provision for impairment of investments		26,751,800	26,166,660
<b>Total expenses</b>		<b>217,426,833</b>	<b>299,929,760</b>
<b>Loss before tax</b>		<b>(164,279,148)</b>	<b>(171,964,863)</b>
<b>Tax expense:</b>			
- Current tax		-	-
- Deferred tax		-	1,221,256
<b>Loss for the year</b>		<b>(164,279,148)</b>	<b>(173,186,119)</b>
<b>Earnings per equity share</b>			
<b>[nominal value of share Rs. 10 (previous year Rs.10)]</b>	2.24		
- Basic and diluted		(4.98)	(5.25)
Significant accounting policies	1		
Notes to financial statements	2		

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

for **BSRR & Co**  
 Chartered Accountants  
 Firm registration number: 130791W

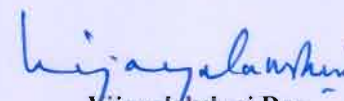
for and on behalf of the Board of Directors of  
**Ananya Finance for Inclusive Growth Private Limited**



**Sriram Mahalingam**  
 Partner  
 Membership No. 049642



**Brij Mohan**  
 Chairman



**Vijayalakshmi Das**  
 Managing Director

Place: Hyderabad  
 Date: 13 June 2014

Place: Ahmedabad  
 Date: 13 June 2014

**Ananya Finance for Inclusive Growth Private Limited**  
**Cash Flow Statement for the year ended 31 March 2014**  
(All amounts in Indian rupees, except share data and where otherwise stated)

	For the year ended 31 March 2014	For the year ended 31 March 2013
<b>Cash flows from operating activities</b>		
<b>Net loss before tax</b>	(164,279,148)	(171,964,863)
Adjustments :		
Depreciation and amortisation	61,431,636	62,259,498
Provisions and write offs on loan portfolio	76,415,530	109,381,390
Profit on sale of fixed asset	(820,774)	-
Income from mutual fund investments	(2,806,741)	(3,238,136)
Liabilities no longer required written back	-	(5,309,608)
<b>Operating cash flows before working capital changes</b>	<b>(30,059,497)</b>	<b>(8,871,719)</b>
(Increase) / decrease in loans and advances	(65,633,767)	557,110,391
(Increase) / decrease in other assets	(209,564)	4,001,207
Increase / (decrease) in long term liabilities	289,250	(305,424)
Increase / (decrease) in liabilities and provisions	(14,098,295)	13,976,561
<b>Cash generated from operations</b>	<b>(109,711,873)</b>	<b>565,911,016</b>
Income taxes (paid) / refunded, net	17,292,722	32,430,665
<b>Net cash provided / (used) by operating activities (A)</b>	<b>(92,419,151)</b>	<b>598,341,681</b>
<b>Cash flows from investing activities</b>		
Purchase of fixed assets	(12,515)	(266,470)
Proceeds from sale of fixed assets	1,550,000	-
Purchase of units of mutual funds	(568,735,000)	(836,400,000)
Proceeds from sale of units of mutual funds	577,041,741	834,138,136
Investment in bank deposits (having original maturity of more than three months)	169,417	(11,665,435)
<b>Net cash provided / (used) by investing activities (B)</b>	<b>10,013,643</b>	<b>(14,193,769)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of equity shares	100	-
Proceeds from issue of preference shares	180,000,000	-
Share issue expenses	(2,238,263)	-
Proceeds from long-term borrowings	50,000,000	100,000,000
Repayment of long-term borrowings	(182,932,652)	(793,191,230)
<b>Net cash provided / (used) by financing activities (C)</b>	<b>44,829,185</b>	<b>(693,191,230)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(37,576,323)</b>	<b>(109,043,318)</b>
Cash and cash equivalents at the beginning of the year	56,208,326	165,251,644
<b>Cash and cash equivalents at the end of the year (Refer note 2.14)</b>	<b>18,632,003</b>	<b>56,208,326</b>

The notes referred to above form an integral part of the financial statements

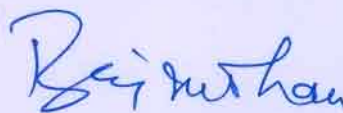
As per our report of even date attached  
for **BSRR & Co**  
Chartered Accountants  
Firm registration number: 130791W



**Sriram Mahalingam**  
Membership No. 049642

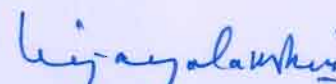
Place: Hyderabad  
Date: 13 June 2014

for and on behalf of the Board of Directors of  
**Ananya Finance for Inclusive Growth Private Limited**



**Brij Mohan**  
Chairman

Place: Ahmedabad  
Date: 13 June 2014



**Vijayalakshmi Das**  
Managing Director



**Ananya Finance for Inclusive Growth Private Limited**  
**Notes to financial statements for the year ended 31 March 2014**  
(All amounts in Indian rupees, except share data and where otherwise stated)

**Overview**

Ananya Finance for Inclusive Growth Private Limited incorporated on 22 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 Microfinance institutions in India.

**Note 1: Significant accounting policies**

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

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting in accordance with the Generally Accepted Accounting Principles (GAAP) in India and comply with the Accounting Standards ("AS") prescribed by the Companies (Accounting Standards) Rules, 2006 issued by the Central Government, the relevant provisions of the Companies Act, 1956 ('the Act') and/or the Companies Act, 2013 as appropriate, and the relevant guidelines of Reserve Bank of India ('RBI') to the extent applicable to a Non Banking Financial (Non – Deposit Accepting or Holding) Company. The financial statements are presented in Indian Rupees rounded off to the nearest rupee.

**b. Use of estimates**

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

**c. Current – non-current classification**

All assets and liabilities are classified into current and non-current.

**Assets**

An asset is classified as current when it satisfies any of the following criteria:

- i. it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- ii. it is held primarily for the purpose of being traded;
- iii. it is expected to be realised within 12 months after the reporting date; or
- iv. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

**Liabilities**

A liability is classified as current when it satisfies any of the following criteria:

- i. it is expected to be settled in the Company's normal operating cycle;
- ii. it is held primarily for the purpose of being traded;
- iii. it is due to be settled within 12 months after the reporting date; or
- iv. the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.



**Ananya Finance for Inclusive Growth Private Limited**  
**Notes to financial statements for the year ended 31 March 2014 (continued)**  
 (All amounts in Indian rupees, except share data and where otherwise stated)

**c. Current – non-current classification (continued)**

Current liabilities include the current portion of non-current financial liabilities. All other liabilities are classified as non-current.

**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 using effective interest method except in the case of non-performing assets (“NPA’s”) where it is recognised, 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). Loan processing fees which is collected upfront is amortised over the tenor of the loan.
- iv). Dividend income is accounted when the right to receive the dividend is established.
- v). Income from Non-refundable Revenue Grant is recognized on receipt basis on fulfillment of Grant obligations.

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

The Company classified its loan portfolio in accordance with the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 into Performing and Non-performing Assets (NPA). Further, NPAs are classified into sub-standard, doubtful and loss assets.

The provisioning rates and classification criteria for NPAs, which are in accordance with Non-Banking Financial (Non-Deposit Accepting and Holding) Companies prudential Norms (Reserve Bank) Direction, 2007, are as given below:

Overdue days	Classification	Provision for the year ended	
		31 March 2014	31 March 2013
Upto 180 days	Standard	0.25% - 5.00%	0.25%
181 to 730 days	Sub-standard	10%	10%
>730 days	Doubtful	100%*	100%*

\*100% provision to the extent to which the advance is not covered by the realisable value of the security to which the Company has a valid recourse.

Overdue Loans which in the opinion of the management, considered as loss asset then the same is fully written off at the year end. However, if the assets are permitted to remain in the books for any reason, 100% of the outstanding is provided for.

In respect of Restructured Advances, the Company follows classification and provisioning norms as per the notification of Reserve Bank of India released on 23 January 2014 in this regard to the extant applicable to the Company. Accordingly, Restructured Advances converted into equity has been held under Current Investments and valued at Re. 1.



**Ananya Finance for Inclusive Growth Private Limited**  
**Notes to financial statements for the year ended 31 March 2014 (continued)**  
(All amounts in Indian rupees, except share data and where otherwise stated)

**e. Fixed assets and depreciation**

*Tangible fixed asset*

Tangible fixed assets are carried at cost of acquisition less accumulated depreciation and/ or accumulated impairment loss, if any. The cost of tangible fixed 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. Borrowing costs directly attributable to acquisition of those fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalised.

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

Depreciation on tangible fixed assets is provided using the straight-line method over the useful life of the assets estimated by the management. The rates of depreciation prescribed in Schedule XIV to the Companies Act, 1956 are considered as minimum rates. If the management's estimate of the useful life of a fixed asset at the time of acquisition of the asset or of the remaining useful life on a subsequent review, is shorter than that envisaged in the aforesaid Schedule, depreciation is provided at a higher rate based on the management's estimate of the useful life / remaining useful life.

Pursuant to this policy, depreciation on tangible fixed assets has been provided at the following rates based on the useful lives of fixed assets as estimated by management:

Furniture and fixtures	25% to 33%
Vehicles	25%
Office equipments	20%
Computers	33%

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

*Intangible fixed asset*

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 and software are amortised using straight-line method over 5 years and 3 years respectively.

**f. 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.



**Ananya Finance for Inclusive Growth Private Limited**  
**Notes to financial statements for the year ended 31 March 2014** (continued)  
(All amounts in Indian rupees, except share data and where otherwise stated)

**g. 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 scheme of revised Schedule VI.

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

Non-performing Restructured Advances converted into Equity has been held under Current Investments and valued at Re.1 in accordance with Guidance released on 23 January 2014 in this regard to the extent relevant to the Company.

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.

**h. 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*

The service rules of the Company do provide for the carry forward of the accumulated leave balance. However, leave encashment is not provided in the service rule.

**i. Income tax**

Income tax expense comprises current tax and deferred tax.

*Current tax*

The current charge for income taxes is calculated in accordance with the relevant tax regulations applicable to the Company.



**Ananya Finance for Inclusive Growth Private Limited**  
**Notes to financial statements for the year ended 31 March 2014 (continued)**  
(All amounts in Indian rupees, except share data and where otherwise stated)

**i. Income tax (continued)**

*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 by 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 of realization of such 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.

**j. 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.

**k. Borrowing costs**

Borrowing cost includes interest and other cost including, amortization of ancillary borrowing costs. Interest on borrowings is expensed in the period to which they relate. Ancillary costs incurred in connection with the terms of borrowing are amortised over the tenure of the borrowing on straight line basis.

**l. Provisions and contingent liabilities**

The Company creates a provision when there is a present obligation as a result of an obligating event that probably requires an outflow of resources and a reliable estimate can be made of the amount for the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resource is remote, no provision or disclosure is made.

**m. Leases**

Leases that do not transfer substantially all the risks and rewards of ownership are classified as operating leases and recorded as expense as and when the payments are made over the lease term.

**n. 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 regular revenue generating, 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 31 March 2014** (continued)  
 (All amounts in Indian rupees, except share data and where otherwise stated)

	As at 31 March 2014	As at 31 March
<b>2.1 Share capital</b>		
<b>Authorised:</b>		
150,000,000 (Previous year: 150,000,000) equity shares of Rs. 10 each 'class A'	1,500,000,000	1,500,000,000
10,000,000 (Previous year: 10,000,000) equity shares of Rs. 10 each 'class B'	100,000,000	100,000,000
40,000,000 (Previous year: 40,000,000) preference shares of Rs. 10 each	400,000,000	400,000,000
	<u>2,000,000,000</u>	<u>2,000,000,000</u>
<b>Issued, subscribed and paid-up:</b>		
33,010,010 (Previous year: 33,010,000) equity shares of Rs. 10 each 'class A', fully paid-up	330,100,100	330,100,000
10,000,000 (Previous year: 10,000,000) 6% compulsorily convertible cumulative preference shares of Rs.10 each, fully paid up	100,000,000	100,000,000
9,000,000 (Previous year: Nil) 8% compulsorily convertible cumulative preference shares of Rs.10 each, fully paid up	90,000,000	-
9,000,000 (Previous year: Nil) 8% optionally convertible cumulative preference shares of Rs.10 each, fully paid up	90,000,000	-
	<u>610,100,100</u>	<u>430,100,000</u>

\* The Company, on 11 September 2013, classified 150,000,000 equity shares of Rs.10 each as class A equity shares having all rights and privileges available to an ordinary equity shareholder, and 10,000,000 equity shares of Rs.10 each as class B shares, having over and above all rights and privileges available to an ordinary equity shareholder, also be entitled to bonus equity shares.

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

Particulars	As at 31 March 2014		As at 31 March 2013	
	Number of shares	Amount	Number of shares	Amount
<b>Equity shares</b>				
At the commencement of the year	33,010,000	330,100,000	33,010,000	330,100,000
Issued during the year	10	100	-	-
<b>At the end of the year</b>	<u>33,010,010</u>	<u>330,100,100</u>	<u>33,010,000</u>	<u>330,100,000</u>
<b>6% compulsorily convertible cumulative preference shares</b>				
At the commencement of the year	10,000,000	100,000,000	-	-
Issued during the year	-	-	10,000,000	100,000,000
<b>At the end of the year</b>	<u>10,000,000</u>	<u>100,000,000</u>	<u>10,000,000</u>	<u>100,000,000</u>
<b>8% optionally convertible cumulative preference shares</b>				
At the commencement of the year	-	-	-	-
Issued during the year	9,000,000	90,000,000	-	-
<b>At the end of the year</b>	<u>9,000,000</u>	<u>90,000,000</u>	<u>-</u>	<u>-</u>
<b>8% compulsorily convertible cumulative preference shares</b>				
At the commencement of the year	-	-	-	-
Issued during the year	9,000,000	90,000,000	-	-
<b>At the end of the year</b>	<u>9,000,000</u>	<u>90,000,000</u>	<u>-</u>	<u>-</u>

**Rights, preferences and restrictions attached to equity shares**

a) 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 B equity shares, over and above all rights and privileges available to an ordinary equity shareholder, are also entitled to bonus equity shares. 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.

**Rights, preferences and restrictions attached to preference shares**

a) The Company has issued 10,000,000 6% compulsorily convertible cumulative preference shares (CCCPS) of Rs. 10 each at par to Indian Foundation for Inclusive Growth. These preference shares are compulsorily convertible into equity shares of the Company on 31 March 2017 on a fully diluted basis in accordance with the terms of Subscription and Shareholders agreement dated 25 September 2013. The agreement provides for optional conversion after 3 years from the allotment date in the event the preference shareholders give a conversion notice. Preference share holders carry a preferential right as to dividend over equity shareholders if and when dividend is declared by the Company. 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.

b) The Company has issued 9,000,000 8% compulsorily convertible cumulative preference shares (Isis CCCPS) of Rs. 10 each at par to WWB ISIS Fund,L.P.. These preference shares are compulsorily convertible into equity shares within a period of 21 days from the date of receipt of the Audited Statement for the financial year ending 31 March 2015. The conversion price of each Isis CCCPS shall be between Rs. 5 to Rs. 10 per Isis CCCPS based on the Adjusted NAV of the Company on a fully diluted basis. In case the conversion price is less than Rs.10 (par value), the Isis CCCPS will get converted into a Class B Equity Shares (which will be the only class eligible for bonus shares) in accordance with the terms of Share Subscription and Shareholders agreement dated 25 September 2013. Preference share holders carry a preferential right as to dividend over equity shareholders if and when dividend is declared by the Company. 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.



**Ananya Finance for Inclusive Growth Private Limited**  
**Notes to financial statements for the year ended 31 March 2014** (continued)  
 (All amount is Indian rupees, except share data and where otherwise stated)

**2.1 Share capital** (continued)

**Rights, preferences and restrictions attached to preference shares** (continued)

c) The Company has issued 9,000,000 8% optionally convertible cumulative preference shares (OCCPS) of Rs. 10 each at par to IDBI Bank Ltd.. These preference shares shall be convertible at the rate of Rs. 10 per share, at the instance of the Investor at any time after Year 5 (five) of the investment into one equity share for each OCCPS held in accordance with the terms of Share Subscription and Shareholders agreement dated 25 September 2013. Preference share holders carry a preferential right as to dividend over equity shareholders if and when dividend is declared by the Company. 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.

**Shares held by holding/ ultimate holding and/ or their subsidiaries/ associates**

Name of the equity shareholder	As at 31 March 2014		As at 31 March 2013	
	Number of shares	% of holding	Number of shares	% of holding
Sudha Kapurchand Kothari - as a trustee of Indian Foundation for Inclusive Growth - the holding enterprise	33,000,000	99.97%	33,000,000	99.97%

**Particulars of shareholder holding more than 5% of equity shares of Rs.10 cash fully paid up is set below**

Name of the equity shareholder	As at 31 March 2014		As at 31 March 2013	
	Number of shares	% of holding	Number of shares	% of holding
Sudha Kapurchand Kothari - as a trustee of Indian Foundation for Inclusive Growth	33,000,000	99.97%	33,000,000	99.97%

**Particulars of shareholder holding more than 5% of 6% compulsorily convertible cumulative preference shares of Rs.10 cash fully paid up is set**

Name of the preference shareholder	As at 31 March 2014		As at 31 March 2013	
	Number of shares	% of holding	Number of shares	% of holding
6% compulsorily convertible cumulative preference shares held by Sudha Kapurchand Kothari - as a trustee of Indian Foundation for Inclusive Growth	10,000,000	100%	10,000,000	100%

**Particulars of shareholder holding more than 5% of 8% compulsorily convertible cumulative preference shares of Rs.10 cash fully paid up is set**

Name of the preference shareholder	As at 31 March 2014		As at 31 March 2013	
	Number of shares	% of holding	Number of shares	% of holding
8% compulsorily convertible cumulative preference shares held by WWB Isis Fund L.P	9,000,000	100%	-	-

**Particulars of shareholder holding more than 5% of 8% optionally convertible cumulative preference shares of Rs.10 cash fully paid up is set**

Name of the preference shareholder	As at 31 March 2014		As at 31 March 2013	
	Number of shares	% of holding	Number of shares	% of holding
8% optionally convertible cumulative preference shares held by IDBI Bank Ltd.	9,000,000	100%	-	-



**Ananya Finance for Inclusive Growth Private Limited**

Notes to the financial statements for the year ended 31 March 2014 (continued)

(All amounts in Indian rupees, except share data and where otherwise stated)

	As at 31 March 2014	As at 31 March 2013
<b>2.2 Reserves and surplus</b>		
<b>Securities premium account</b>		
At the commencement of the year	150,000,000	150,000,000
Less: amount utilised towards share issue expenses	2,238,263	-
Closing balance	<u>147,761,737</u>	<u>150,000,000</u>
<b>Statutory reserve (created under Section 45-1C of RBI Act, 1934)</b>		
At the commencement of the year	3,309,122	3,309,122
Add: Transferred from surplus	-	-
Closing balance	<u>3,309,122</u>	<u>3,309,122</u>
<b>Surplus</b>		
At the commencement of the year	(399,339,783)	(226,153,664)
Add: Net loss for the year	(164,279,148)	(173,186,119)
Less: Transferred to statutory reserve	-	-
Closing balance	<u>(563,618,931)</u>	<u>(399,339,783)</u>
<b>Total reserves and surplus</b>	<u>(412,548,072)</u>	<u>(246,030,661)</u>
<b>2.3 Long-term borrowings</b>		
<b>Secured</b>		
Term loans from banks *	37,500,000	75,270,000
<b>Unsecured</b>		
Term loans from financial institution*	21,750,000	31,750,000
Term loans from other parties*	48,960,996	111,541,398
	<u>108,210,996</u>	<u>218,561,398</u>
*Refer note 2.25 for terms of borrowings.		
<b>2.4 Other long-term liabilities</b>		
Unamortised processing fees	321,388	32,138
	<u>321,388</u>	<u>32,138</u>
<b>2.5 Long-term provisions</b>		
Contingent provision against standard assets*	573,803	200,509
Provision for non performing assets*	39,064,296	385,379,630
Provision for diminution in the fair value of restructured advances*	32,326,325	-
Provision for employee benefits		
Gratuity (funded) (Refer note 2.37)	97,391	-
	<u>72,061,815</u>	<u>385,580,139</u>
*Refer note 2.31		
<b>2.6 Other current liabilities</b>		
Current maturities of long-term debt		
-Term loans from banks - Secured*	87,770,000	100,360,000
-Term loans from financial institution - Unsecured*	10,000,000	16,280,000
-Term loans from other parties - Unsecured*	64,481,000	68,193,250
Interest accrued but not due on borrowings	910,445	1,227,090
Unamortised processing fees	2,004,073	1,113,592
Payable to FWWB	51,735	13,406,015
Sundry liabilities (interest capitalisation)	6,216,306	6,216,306
Statutory liabilities	197,440	252,806
Accrued expenses	726,071	2,006,704
	<u>172,357,070</u>	<u>209,055,763</u>
*Refer note 2.25 for terms of borrowings		
<b>2.7 Short-term provisions</b>		
Contingent provision against standard assets*	835,050	385,370
Provision for non performing assets*	-	1,273,037
Provision for employee benefits		
Gratuity (funded) (Refer note 2.37)	317,618	396,861
	<u>1,152,668</u>	<u>2,055,268</u>

\*Refer note 2.31





Ananya Finance for Inclusive Growth Private Limited  
Notes to the financial statements for the year ended 31 March 2014 (continued)  
(All amounts in Indian rupees, except share data and where otherwise stated)

2.8 Tangible fixed assets

Particulars	Gross block			Depreciation			Net block		
	As at 1 April 2013	Additions	Disposals	As at 31 March 2014	As at 1 April 2013	For the year	Disposals	As at 31 March 2014	As at 31 March 2013
<b>Owned</b>									
Furniture and fixtures	2,508,502	-	2,481,956	26,546	1,994,441	104,527	2,072,422	26,546	514,061
Vehicles	615,141	-	-	615,141	435,123	153,785	-	588,908	26,233
Office equipment	1,226,353	12,515	983,506	255,362	771,030	83,421	663,814	190,637	64,725
Computers	724,201	-	-	724,201	693,605	30,596	-	724,201	30,596
<b>Total</b>	<b>5,074,197</b>	<b>12,515</b>	<b>3,465,462</b>	<b>1,621,250</b>	<b>3,894,199</b>	<b>372,329</b>	<b>2,736,236</b>	<b>1,530,292</b>	<b>90,958</b>
Previous year	5,067,727	6,470	-	5,074,197	2,628,894	1,265,305	-	3,894,199	1,179,998

2.9 Intangible fixed assets

Particulars	Gross block			Amortisation			Net block		
	As at 1 April 2013	Additions	Disposals	As at 31 March 2014	As at 1 April 2013	For the year	Disposals	As at 31 March 2014	As at 31 March 2013
<b>Owned</b>									
Software	1,260,000	-	-	1,260,000	623,208	419,307	-	1,042,515	217,485
Intangible assets*	303,200,000	-	-	303,200,000	181,920,000	60,640,000	-	242,560,000	60,640,000
<b>Total</b>	<b>304,460,000</b>	<b>-</b>	<b>-</b>	<b>304,460,000</b>	<b>182,543,208</b>	<b>61,059,307</b>	<b>-</b>	<b>243,602,515</b>	<b>60,857,485</b>
Previous year	304,200,000	260,000	-	304,460,000	121,549,015	60,994,193	-	182,543,208	121,916,792

\* Intangible assets acquired as per business transfer agreement with F'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 31 March 2014 (continued)**

(All amounts in Indian rupees, except share data and where otherwise stated)

	As at 31 March 2014	As at 31 March 2013
<b>2.10 Non-current investments</b>		
<i>(valued at cost, unless stated otherwise)</i>		
<b>Trade Investments (Unquoted)</b>		
<b>(a) Investments in equity instrument (fully paid-up)</b>		
Nil (previous year: 1,308,333) equity shares of face value of Rs. 10 each of Trident Microfin Private Limited	-	13,083,330
<b>(b) Investments in preference shares (fully paid-up)</b>		
Nil (previous year: 1,308,333) 0.001% optionally convertible cumulative redeemable preference shares of Rs. 10 each of Trident Microfin Private Limited	-	13,083,330
282,250 (previous year: 325,000) 0.001% optionally convertible cumulative redeemable preference shares of Rs.10 each of Asmitha Microfin Limited	2,822,500	3,250,000
346,750 (previous year: 387,250) 0.001% optionally convertible cumulative redeemable preference shares of Rs.10 each of Share Microfin Limited	3,467,500	3,872,500
Less: Provision for impairment	-	(26,166,660)
	<u><u>6,290,000</u></u>	<u><u>7,122,500</u></u>
Aggregate value of unquoted non-current investments	6,290,000	7,122,500
<b>2.11 Long-term loans and advances</b>		
Loan portfolio		
-Secured, considered good*	86,428,527	80,203,345
-Secured, considered doubtful**	86,567,974	495,901,768
-Unsecured, considered doubtful**	18,633,745	18,633,745
<i>Unsecured, considered good</i>		
Rental deposits	73,500	533,000
Advance tax [net of provision of Rs. 8,255,776 (previous year: Rs. 8,255,776)]	9,145,228	26,437,950
	<u><u>200,848,974</u></u>	<u><u>621,709,808</u></u>
*Represents standard assets in accordance with classification of assets as per RBI Prudential norms for NBFCs (Refer note 2.31)		
**Represents sub - standard assets and doubtful assets in accordance with classification of assets as per RBI Prudential norms for NBFCs (Refer note 2.31)		
<b>2.12 Other non-current assets</b>		
<i>Unsecured, considered good</i>		
Bank deposit (with more than 12 months maturity)*	7,500,000	11,296,878
Interest accrued on bank deposits	986,665	315,436
Unamortised processing fees	-	262,678
	<u><u>8,486,665</u></u>	<u><u>11,874,992</u></u>

\* Represents deposit (previous year: Rs.7,500,000) maintained 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 31 March 2014** (continued)

(All amounts in Indian rupees, except share data and where otherwise stated)

	As at 31 March 2014	As at 31 March 2013
<b>2.13 Current investments</b>		
<b>Current portion of long-term investment</b>		
<b>Investment in preference shares - unquoted</b>		
45,000 (previous year: 15,000) 0.001% optionally convertible cumulative redeemable preference shares of Rs.10 each of Asmitha Microfin Limited*	450,000	150,000
38,250 (previous year: 12,750) 0.001% optionally convertible cumulative redeemable preference shares of Rs.10 each of Share Microfin Limited*	382,500	127,500
<b>Current investments</b>		
<i>(valued at lower of cost and fair value)</i>		
<b>Investments in equity instrument (fully paid-up) -unquoted</b>		
2,006,380 (previous year: Nil) equity shares of Rs.10 each of SWAWS Credit Corporation of India (P) Limited	20,063,800	-
<b>Investments in optionally convertible debentures - unquoted</b>		
66,880 (previous year: Nil) optionally convertible debentures of Rs.100 each of SWAWS Credit Corporation of India (P) Limited	6,688,000	-
<b>Investment in mutual funds (fully paid-up) - quoted</b>		
Nil (previous year: 4242.83) units of Axis liquid fund - direct plan-growth (Refer note 2.39)	-	5,500,000
Less: Provision for impairment	(26,751,800)	-
	<u><u>832,500</u></u>	<u><u>5,777,500</u></u>
<b>Quoted current investments</b>		
Aggregate value	-	5,500,000
Aggregate market value	-	5,511,932
<b>Aggregate value of unquoted current investments</b>	832,500	-

\* To the extent of preference shares redeemable within 12 months of the reporting date, the amounts have been presented as part of current investments. These investments are valued at cost.



**Ananya Finance for Inclusive Growth Private Limited****Notes to the financial statements for the year ended 31 March 2014 (continued)**

(All amounts in Indian rupees, except share data and where otherwise stated)

	As at 31 March 2014	As at 31 March 2013
<b>2.14 Cash and bank balances</b>		
<b>Cash and cash equivalents</b>		
Cash on hand	5,579	60,315
Balances with banks		
- on current accounts	14,829,546	43,041,807
- on bank deposits (with less than 3 months maturity)	3,796,878	13,106,204
	<u>18,632,003</u>	<u>56,208,326</u>
<b>Other bank balances</b>		
- on bank deposits (with less than 12 months maturity)	8,184,237	4,556,776
	<u>26,816,240</u>	<u>60,765,102</u>
<b>2.15 Short-term loans and advances</b>		
Loan portfolio		
-Secured, considered good*	245,293,769	154,148,096
-Secured, considered doubtful**	-	12,730,374
<i>Unsecured, considered good</i>		
Prepaid expenses	246,082	48,700
Advances to others	244,037	231,941
	<u>245,783,888</u>	<u>167,159,111</u>
<p>*Represents standard assets in accordance with classification of assets as per RBI Prudential norms for NBFCs (Refer note 2.31)</p> <p>**Represents sub - standard assets and doubtful assets in accordance with classification of assets as per RBI Prudential norms for NBFCs (Refer note 2.31)</p>		
<b>2.16 Other current assets</b>		
Interest accrued on bank deposits	874,692	656,229
Interest accrued and due on loan portfolio	39,860	741,713
Interest accrued but not due on loan portfolio	472,025	-
Unamortised processing fees	262,678	450,300
	<u>1,649,255</u>	<u>1,848,242</u>



**Ananya Finance for Inclusive Growth Private Limited**

**Notes to the financial statements for the year ended 31 March 2014** (continued)

(All amounts in Indian rupees, except share data and where otherwise stated)

	For the year ended 31 March 2014	For the year ended 31 March 2013
<b>2.17 Revenue from operations</b>		
Interest income on loan portfolio	35,759,684	79,046,540
Processing fees on loan portfolio	1,829,346	5,469,941
	<u>37,589,030</u>	<u>84,516,481</u>
<b>2.18 Other income</b>		
Interest income	4,153,254	10,769,927
Profit on sale of current investments	2,806,741	3,238,136
Performance based grant	7,321,668	23,490,653
Profit on sale of fixed assets	820,774	-
Liabilities no longer required written back	-	5,309,608
Consultancy fees	137,175	640,092
Miscellaneous income	319,043	-
	<u>15,558,655</u>	<u>43,448,416</u>
<b>2.19 Employee benefits</b>		
Salaries, wages and bonus	12,147,630	
Less: Reimbursements	<u>3,009,852</u>	9,137,778
Contribution to provident and other funds (Refer note 2.37)	1,062,439	
Less: Reimbursements	<u>240,802</u>	1,111,051
Staff welfare expenses	120,597	108,056
	<u>10,080,012</u>	<u>13,587,798</u>
<b>2.20 Finance costs</b>		
Interest expenses	28,432,431	71,406,914
Other borrowing cost	3,105,403	4,835,730
	<u>31,537,834</u>	<u>76,242,644</u>
<b>2.21 Depreciation and amortisation</b>		
Depreciation of tangible fixed assets	372,329	1,265,305
Amortisation of intangible fixed assets	61,059,307	60,994,193
	<u>61,431,636</u>	<u>62,259,498</u>
<b>2.22 Provisions and write offs</b>		
Provision on standard assets	822,974	(7,373,701)
Provision on non performing assets	(347,588,371)	116,279,915
Provision for diminution in the fair value of restructured advances	32,326,325	-
Loans written off	390,854,602	475,176
	<u>76,415,530</u>	<u>109,381,390</u>
<b>2.23 Other expenses</b>		
Power and fuel	93,674	175,871
Rent (Refer note 2.33)	462,704	2,629,224
Repairs and maintenance		
- others	308,605	162,543
Insurance	155,068	36,771
Rates and taxes	265,656	153,717
Communication expenses	312,068	332,038
Printing and stationery	59,529	48,474
Travelling and conveyance	1,478,808	1,879,457
Legal and professional fees (Refer note 2.34)	2,782,578	3,380,553
Directors' sitting fees	85,000	85,000
Donation	-	1,000,000
Office expenses	841,697	297,730
Training and workshop expenses	4,345,777	2,075,909
Miscellaneous expenses	18,857	34,483
	<u>11,210,021</u>	<u>12,291,770</u>



**Ananya Finance for Inclusive Growth Private Limited**

**Notes to the financial statements for the year ended 31 March 2014** (continued)

(All amounts in Indian rupees, except share data and where otherwise stated)

**For the year ended 31 March 2014**      **For the year ended 31 March 2013**

**2.24 Earnings per share**

Loss for the year attributable to equity shareholders	(164,279,148)	(173,186,119)
<i>Shares</i>		
Number of equity shares at the beginning of the year	33,010,000	33,010,000
Add: Equity shares issued during the year	10	-
Total number of equity shares outstanding at the end of the year	33,010,010	33,010,000
Weighted average number of equity shares outstanding during the year – Basic and diluted*	33,010,004	33,010,000

**Loss per share in Rupees – Par value of Rs.10**

Basic and diluted	(4.98)	(5.25)
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\*In computing the diluted earnings per share, CCCPS, Isis CCCPS and OCCCPs have not been considered, as they are anti dilutive in nature.

**2.25 Terms of borrowings**

Name of the lender	31-Mar-14 Amount outstanding		First repayment date	Period of repayment/ No. of installments	Rate of Interest
	Long term maturity	Current maturity			
<b>Secured term loans from banks</b>					
Syndicate bank @	-	37,770,000	31-Jul-12	10 Quarterly	12.75%
IDBI Bank *	37,500,000	50,000,000	31-Jan-13	8 Quarterly	13.75%
<b>Total</b>	<b>37,500,000</b>	<b>87,770,000</b>			
<b>Unsecured loan from financial institutions</b>					
NABARD	13,000,000	6,500,000	30-Sep-12	10 Half yearly	7.50%
NABARD	8,750,000	3,500,000	1-Nov-12	10 Half yearly	7.50%
<b>Total</b>	<b>21,750,000</b>	<b>10,000,000</b>			
<b>Unsecured loan from other parties</b>					
FWWB - Rabo foundation ^	-	30,879,000	24-Nov-14	On maturity	5.00%
FWWB - Ford Foundation ^	48,960,996	18,332,000	25-May-12	5 yearly	1.00%
FWWB- Syndicate bank ^	-	15,270,000	31-Jul-12	10 Quarterly	12.75%
<b>Total</b>	<b>48,960,996</b>	<b>64,481,000</b>			
<b>Grand total</b>	<b>108,210,996</b>	<b>162,251,000</b>			

\* Secured by way of hypothecation of book debts and Rs.7,500,000 term deposit.

@ Secured by hypothecation of book debts and guaranteed by Friends of WWB, India, a trust registered under the Bombay Public Charitable Trust Act, 1950.

^ Company wide business transfer agreement acquired the microfinance business of Friends of Women World Banking, India (FWWB) consisting of loan portfolio and also taken over liabilities of FWWB that are associated with the loan portfolio. Pending approval from certain lenders for such transfer, the Company continues to service the liabilities. (Refer note 2.30)



**Ananya Finance for Inclusive Growth Private Limited**

**Notes to financial statements for the year ended 31 March 2014** (continued)

(All amounts in Indian rupees, except share data and where otherwise stated)

**2.25 Terms of borrowings** (continued)

Name of the lender	31-Mar-13		First repayment date	Period of repayment/ No. of installments	Rate of Interest
	Long term maturity	Current maturity			
<b>Secured term loans from banks</b>					
Syndicate bank *#	37,770,000	50,360,000	31-Jul-12	10 Quarterly	12.25% to 13%
IDBI Bank *	37,500,000	50,000,000	31-Jan-13	8 Quarterly	14.00%
<b>Total</b>	<b>75,270,000</b>	<b>100,360,000</b>			
<b>Unsecured loan from financial institutions</b>					
NABARD	-	2,000,000	31-Aug-09	5 Annually	3.50%
NABARD	-	1,000,000	15-Oct-08	10 Half yearly	7.50%
NABARD	-	1,400,000	15-Oct-08	10 Half yearly	7.50%
NABARD	-	1,880,000	15-Apr-09	10 Half yearly	7.50%
NABARD	19,500,000	6,500,000	30-Sep-12	10 Half yearly	7.50%
NABARD	12,250,000	3,500,000	1-Nov-12	10 Half yearly	7.50%
<b>Total</b>	<b>31,750,000</b>	<b>16,280,000</b>			
<b>Unsecured loan from other parties</b>					
FWWB - State Bank of India ^	-	12,500,000	31-Aug-08	20 Quarterly	12% to 12.25%
FWWB-CORDAID ^	-	17,001,250	16-Jul-10	7 Half yearly	6.25%
FWWB - Rabo foundation ^	30,879,000	-	24-Nov-14	On maturity	5.00%
FWWB - Ford Foundation ^	65,392,398	18,332,000	25-May-12	5 yearly	1.00%
FWWB- Syndicate bank ^	15,270,000	20,360,000	31-Jul-12	10 Quarterly	12.25% to 13%
<b>Total</b>	<b>111,541,398</b>	<b>68,193,250</b>			
<b>Grand total</b>	<b>218,561,398</b>	<b>184,833,250</b>			

\* Secured by way of hypothecation of book debts and Rs.7,500,000 term deposit.

# Secured by hypothecation of book debts and guaranteed by Friends of WWB, India, a trust registered under the Bombay Public Charitable Trust Act, 1950.

^ Company vide business transfer agreement acquired the microfinance business of Friends of Women World Banking, India (FWWB) consisting of loan portfolio and also taken over liabilities of FWWB that are associated with the loan portfolio. Pending approval from certain lenders for such transfer, the Company continues to service the liabilities. (Refer note 2.30)

**2.26** As a matter of prudence, Company has not recognised deferred tax assets on provision for loan portfolio, unabsorbed depreciation and carry forward losses.

**2.27 Earnings in foreign currency**

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
Performance based grant	7,321,668	23,490,653
Consultancy income	117,175	640,092

**2.28 Expenditure in foreign currency**

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
Travelling expenses	40,825	11,826
Training expenses	66,167	-



**Ananya Finance for Inclusive Growth Private Limited**

**Notes to the financial statements for the year ended 31 March 2014** (continued)

(All amounts in Indian rupees, except share data and where otherwise stated)

**2.29 Contingent liability**

Particulars	As at 31 March 2014	As at 31 March 2013
Dividend payable on preference shares	18,013,151	6,016,438
Disputed Income Tax liability for which the Company has preferred an appeal	33,845,670	-

**2.30** On 26 April 2010, the Company vide business transfer agreement acquired the microfinance business of Friends of Women World Banking, India (FWWB) consisting of loan portfolio, other associated assets, customer contracts, customer profiling, customer credit history, technical know-how, market know-how, associated lending and investment methods and procedures as a going concern along with all rights and borrower base subject to agreement of its lenders. The Company has also taken over liabilities of FWWB that are associated with the loan portfolio. As at 31 March 2014, the Company has received approvals from some lenders. Pending approval from the remaining lenders for such transfer, the Company continues to service the liabilities.

**2.31 Loan portfolio classification and provisioning**

**(a) Provision for outstanding loan portfolio**

Asset classification	As at 31 March 2014		As at 31 March 2013	
	Loan Portfolio	Provision	Loan Portfolio	Provision
Standard portfolio	331,722,296	1,408,853	234,351,441	585,879
Sub standard asset	73,486,024	7,348,602	149,903,578	14,990,358
Doubtful portfolio	31,715,695	31,715,694	377,362,309	371,662,309
<b>Total</b>	<b>436,924,015</b>	<b>40,473,149</b>	<b>761,617,328</b>	<b>387,238,546</b>

(b) Loan portfolio amounting to Rs.390,854,602 (previous year: Rs.475,176) has been written off.

**(c) The movement in provision for the year ended 31 March 2014**

Particulars	Standard asset provision	Non-performing asset provision	Total
Opening as at 1 April 2013	585,879	386,652,667	387,238,546
Additions	822,974	-	822,974
Reversals/write off	-	(347,588,371)	(347,588,371)
<b>Closing as at 31 March 2014</b>	<b>1,408,853</b>	<b>39,064,296</b>	<b>40,473,149</b>

**(d) The movement in provision for the year ended 31 March 2013**

Particulars	Standard asset provision	Non-performing asset provision	Total
Opening as at 1 April 2012	7,959,580	270,372,752	278,332,332
Additions	-	116,279,915	116,279,915
Reversals/write off	(7,373,701)	-	(7,373,701)
<b>Closing as at 31 March 2013</b>	<b>585,879</b>	<b>386,652,667</b>	<b>387,238,546</b>

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

During the year, the Company has made a provision of Rs. 32,326,325 for diminution in the fair value of restructured advances in accordance with the Notification No.DNBS(PD).No.272 / CGM(NSV)-2014 dated 23 January 2014.





**Ananya Finance for Inclusive Growth Private Limited****Notes to the financial statements for the year ended 31 March 2014** (continued)

(All amounts in Indian rupees, except share data and where otherwise stated)

**2.32 Segment information**

## a) Business segment

The Company operates in a single reportable segment i.e. providing loans primarily to microfinance institutions. Accordingly, there is no reportable segment to be disclosed as required by Accounting Standard 17 'Segment Reporting'.

## b) Geographical segment

During the year under report, the Company has engaged in its business within India. The conditions prevailing in India being uniform, no separate geographical disclosure is considered necessary.

**2.33 Leases**

Lease payments made under cancellable operating lease amounting to Rs. 462,704 (previous year: Rs.2,629,224) 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.

**2.34 Auditors' remuneration (excluding service tax) included in legal and professional fees**

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
Audit fees	475,000	475,000
Certification services	67,500	67,500
Tax matters	67,500	67,500
Reimbursement of expenses	27,480	26,090
<b>Total</b>	<b>637,480</b>	<b>636,090</b>

**2.35 Related party disclosures**

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

Names	Nature of relationship
Friends of WWB, India (FWWB) – a trust registered under the Bombay Public Charitable Trust Act, 1950	Entity in which key managerial personnel have significant influence
Vijayalakshmi Das – Managing Director	Key managerial personnel

## (b) Particulars of related party transactions

Name of the related party	Nature of transactions	For the year ended 31 March 2014	For the year ended 31 March 2013
Friends of WWB, India	Interest income	-	152,500
	Interest expense	6,596,438	30,902,142
	Other borrowing costs	1,900,598	3,796,878
	Principal repayments of borrowings	68,193,250	472,705,183
	Fixed deposit proceeds adjusted against loan	-	18,851,301
	Bank charges reimbursed to FWWB	28,032	134,234
	Rent paid	24,500	-
	Reimbursement of expenses	3,250,654	-
	Rent deposit paid	73,500	-
	Other payments to FWWB	-	291,433
Vijayalakshmi Das	Remuneration paid*	3,900,031	3,600,012

\*The managing director is covered by the Company's gratuity policy along with other employees of the Company. The proportionate amount of gratuity cost pertaining to the managerial personnel has not been included in the aforementioned disclosures as these are not determined on an individual basis.



**Ananya Finance for Inclusive Growth Private Limited**

**Notes to the financial statements for the year ended 31 March 2014 (continued)**

(All amounts in Indian rupees, except share data and where otherwise stated)

**2.35 Related party disclosures (continued)**

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

Name of the related party	Nature of payables / receivables	Amount receivable / (payable) as at 31 March 2014	Amount receivable / (payable) as at 31 March 2013
Friends of Women's World Banking, India	Payable on account of borrowings	(113,441,996)	(179,734,648)
Friends of Women's World Banking, India	Rental deposit	73,500	-
Friends of Women's World Banking, India	Other payables	(51,735)	(13,406,015)

**2.36 Break up of loan portfolio**

Loan Portfolio	For the year ended 31 March 2014	For the year ended 31 March 2013
Opening Loan outstanding	761,617,328	1,300,033,866
Loans disbursed during the Year	338,100,000	144,000,000
<b>A</b>	<b>1,099,717,328</b>	<b>1,444,033,866</b>
Loans recovered during the year	245,186,911	674,541,362
Loan portfolio restructured into investments	26,751,800	7,400,000
Loan portfolio written off	390,854,602	475,176
<b>B</b>	<b>662,793,313</b>	<b>682,416,538</b>
Loans outstanding at the end of the year (A-B)	<b>436,924,015</b>	<b>761,617,328</b>

**2.37 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 31 March 2014	For the year ended 31 March 2013
Defined benefit obligation at the beginning of the year	3,526,891	3,361,096
Current service cost	286,553	310,385
Interest cost	317,420	277,290
Actuarial losses/(gains)	(386,829)	(421,880)
Benefits paid	(204,960)	-
<b>Defined benefit obligation at the end of the year</b>	<b>3,539,075</b>	<b>3,526,891</b>

**ii) Movement in fair value of plan assets**

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
Fair value of plan assets at the beginning of the year	3,130,030	2,631,595
Expected return on plan assets	204,360	251,580
Actuarial gains/(losses)	(5,364)	11,026
Contributions paid	-	235,829
Benefits paid	(204,960)	-
<b>Fair value of plan assets at the end of the year</b>	<b>3,124,066</b>	<b>3,130,030</b>



**Ananya Finance for Inclusive Growth Private Limited**

**Notes to the financial statements for the year ended 31 March 2014 (continued)**

(All amounts in Indian rupees, except share data and where otherwise stated)

**2.37 a) Employee benefit plans (continued)**

**iii) Expense recognised in Statement of Profit and Loss**

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
Current service cost	286,553	310,385
Interest on obligation	3 17,420	277,290
Expected return on plan assets	(204,360)	(251,580)
Net actuarial loss/(gain) recognised in the year	(381,465)	(432,906)
<b>Total included in 'employee benefits'</b>	<b>18,148</b>	<b>(96,811)</b>

**iv) Principal actuarial assumptions**

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
Discount Rate	9.00%	8.25%
Expected return on plan assets	6.75%	9.15%
Future salary increase	7.50%	6.50%

**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.

**v) Asset / (liability) recognised in balance sheet**

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
Present value of obligation	3,539,075	3,526,891
Fair value of plan assets	3,124,066	3,130,030
Liability recognised in balance sheet	<b>415,009</b>	<b>396,861</b>

**vi) Asset information:**

Category of Assets	As at 31 March 2014	As at 31 March 2013
Insurer managed funds	100%	100%

**vii) Amount recognised in Balance Sheet:**

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011
Defined benefit obligation	3,539,075	3,526,891	3,361,096	2,999,776
Fair value of plan assets	3,124,066	3,130,030	2,631,595	679,971
Deficit in the plan	<b>415,009</b>	<b>396,861</b>	<b>729,501</b>	<b>2,319,805</b>

**b) Defined contribution plan**

Amount recognised in Statement of Profit and Loss towards	For the year ended 31 March 2014	For the year ended 31 March 2013
i) Provident fund	821,637	1,111,051



Ananya Finance for Inclusive Growth Private Limited  
Notes to the financial statements for the year ended 31 March 2014 (continued)  
(All amounts in Indian rupees, except share data and where otherwise stated)

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

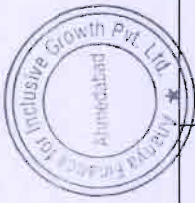
As at 31 March 2014	1 day to 30/31 day (one month)	Over one month to 2 months	Over 2 months to 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
<b>Liabilities</b>									
Borrowings from banks	25,090,000	-	-	25,090,000	37,590,000	37,500,000	-	-	125,270,000
Market Borrowings	6,840,000	18,332,000	-	8,340,000	40,969,000	68,960,996	1,750,000	-	145,191,996
<b>Assets</b>									
Loans & Advances	23,822,499	23,153,945	21,210,406	61,135,821	115,971,099	77,509,215	8,919,312	105,201,718	436,924,015
Investments	-	-	277,500	185,000	370,000	2,420,000	3,870,000	-	7,122,500

As at 31 March 2013	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 from banks	25,090,000	-	-	25,090,000	50,180,000	75,270,000	-	-	175,630,000
Market Borrowings	8,430,000	32,582,000	-	27,341,250	16,120,000	102,813,000	40,478,398	-	227,764,648
<b>Assets</b>									
Loans & Advances	22,444,159	21,388,835	19,557,366	41,892,099	61,596,011	70,567,019	52,380,001	471,791,838	761,617,328
Investments	5,500,000	-	256,041	256,041	512,084	5,120,833	10,413,332	17,008,329	39,066,660

2.39 Current investments

Particulars	Units Purchased	Purchase Value	Units Sold	Sale Value	Closing Units	Closing value
31 March 2014	415,913	568,735,000	420,156	577,041,741	-	-
31 March 2013	672,655	836,400,000	668,412	834,138,136	4,243	5,500,000





Ananya Finance for Inclusive Growth Private Limited  
Notes to the financial statements for the year ended 31 March 2014 (continued)  
(All amounts in Indian rupees, except share data and where otherwise stated)

2.40 Disclosure of Restructured Accounts

SI No	Type of Restructuring	Under CDR Mechanism				Others				Total				
		Standard	Substandard	Doubtful	Loss	Standard	Substandard	Doubtful	Loss	Standard	Substandard	Doubtful	Loss	
1	Restructured Accounts as on April 1 of the FY (Opening figures)*	No. of Borrowers	3	1	-	4	-	-	-	-	3	1	-	4
		Amount Outstanding	39,610,827	96,079,653	-	135,690,480	-	-	-	-	39,610,827	96,079,653	-	-
		Provision thereon	99,027	9,607,965	-	9,706,992	-	-	-	99,027	9,607,965	-	-	9,706,992
2	Fresh restructuring during the year	No. of Borrowers	-	-	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	20,765,649	-	-	-	20,765,649	-	-	-
		Provision thereon	-	-	-	20,765,649	-	-	-	20,765,649	-	-	-	20,765,649
3	Upgradations to restructured standard category	No. of Borrowers	-	-	-	-	(+) 1#	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	16,829,375	-	-	-	16,829,375	-	-	-
		Provision thereon	-	-	-	462,808	-	-	-	462,808	-	-	-	462,808
4	Restructured standard advances which ceases to attract higher provisioning and / or additional risk weight at the end of the FY and hence need to be shown as restructured standard advances at the beginning of the	No. of Borrowers	-	-	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	16,829,375	-	-	-	16,829,375	-	-	-
		Provision thereon	-	-	-	462,808	-	-	-	462,808	-	-	-	462,808
5	Downgradations of restructured accounts during the FY	No. of Borrowers	-	-	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	
6	Write-offs of restructured accounts during the FY	No. of Borrowers	1	-	-	1	-	-	-	-	1	-	-	1
		Amount Outstanding	20,781,020	-	-	20,781,020	-	-	-	-	20,781,020	-	-	-
		Provision thereon	79,566	-	-	79,566	-	-	-	79,566	-	-	-	79,566
7	Restructured accounts as on March 31 of the FY (closing figures)*	No. of Borrowers	2	1	-	3	-	-	-	1	3	1	-	4
		Amount Outstanding	6,352,491	69,327,853	-	75,680,344	16,829,375	-	-	16,829,375	23,181,866	69,327,853	-	-
		Provision thereon	174,693	6,932,785	-	7,107,478	462,808	-	-	637,501	6,932,785	-	-	7,570,286

\* Excluding the figures of Standard Restructured Advances which do not attract higher provisioning or risk weight (if applicable) and including the Standard Restructured Advances written off during the year.

**Ananya Finance for Inclusive Growth Private Limited**

**Notes to the financial statements for the year ended 31 March 2014** (continued)

(All amounts in Indian rupees, except share data and where otherwise stated)

**2.41 Capital to Risk Asset ratio (CRAR):**

Particulars	2013-14	2012-13
i) CRAR	22.02%	14.54%
ii) CRAR – Tier I Capital (%)	11.01%	14.39%
iii) CRAR – Tier II Capital (%)	11.01%	0.15%

**2.42** The Company does not have any direct or indirect exposure to Real Estate sector.

**2.43 Amounts payable to Micro, Small and Medium enterprises**

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allotted after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2014 has been made in the financial statements based on information received and available with the Company. Further in the view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 is not expected to be material. The Company has not received any claim for interest from any supplier under the said Act.

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	Nil	Nil
The amount of interest paid by the company along with the amounts of the payment made to the supplier beyond the appointed day during the year.	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this act.	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of the year; and	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprise.	Nil	Nil

The list of undertakings covered under “Micro, Small and Medium Enterprises Development Act, 2006” (“MSMED”) was determined by the Company on the basis of information available with the Company.

**2.44** Previous year’s figures have been regrouped / reclassified, where necessary, to conform to current year’s presentation.

As per our report of even date attached

for **BSRR & Co**

Chartered Accountants

Firm registration number: 130791W

for and on behalf of the Board of Directors of

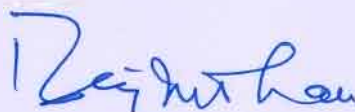
**Ananya Finance for Inclusive Growth Private Limited**



**Sriram Mahalingam**

Partner

Membership No.049642



**Brij Mohan**

Chairman



**Vijayalakshmi Das**  
Managing Director

Place: Hyderabad

Date: 13 June 2014

Place: Ahmedabad

Date: 13 June 2014