

@ASIRVAD

SMALL LOANS BIG DREAMS.....

“Small loans can transform lives, especially the lives of women and children. The poor can become empowered. Jobs can be created, businesses can be launched, homes can be built, and individuals can feel a sense of worth again.”

ARTICULARS	Mar-08	Mar-09	Mar-10	Mar-11	Mar-12	Mar-13	Mar-14	Mar-15	Mar-16
Operational metrics									
# Members enrolled	6,092	57,276	147,850	334,135	387,535	426,489	531,760	700,628	1,137,758
# Active members	6,092	48,425	126,483	219,043	173,109	113,416	211,260	277,615	600,815
# Centres	235	2,152	6,137	12,380	15,205	17,375	25,958	36,083	71,056
# Branches	2	19	49	85	78	64	94	141	343
# Districts covered	2	7	14	22	21	20	30	44	101
# States & UT covered	1	1	1	1	1	1	4	5	13
Total staff	19	130	327	531	416	280	351	553	1,810
CumulativeLTD disbursal (Rs in crores)	3	25	118	314	466.00	595	840	1,229	2,437
Portfolio Outstanding (Gross)	286	1,509	6,243	10,101	7,937	10,246	18,882	32,200	99,800
PAR (Rs in laks)	-	-	2	63	1	-	5.6	27.14	97.06

BOARD OF DIRECTORS

V P Nandakumar, Chairman
S V Raja Vaidyanathan, Managing Director
B N Raveendra Babu
Kalpana Iyer
V R Rajiven
Gautam Saigal
A Ramanathan

AUDIT COMMITTEE

Kalpana Iyer
Gautam Saigal
V R Rajiven

BORROWING COMMITTEE

V P Nandakumar
S V Raja Vaidyanathan
A Ramanathan
Raveendra Babu

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

V P Nandakumar
S V Raja Vaidyanathan
V R Rajiven

COMPENSATION COMMITTEE

V R Rajiven
B N Raveendra Babu
Gautam Saigal

ASSET LIABILITY COMMITTEE

S V Raja Vaidyanathan
R Govindarajan, CFO
R Raghavendra Anand

RISK MANAGEMENT COMMITTEE

V R Rajiven
Kalpana Iyer
Gautam Saigal

AUDITORS

M/s. Deloitte Haskins & Sells.,
Chartered Accountants,
ASV 'N' Ramana Tower,
52, Venkatnarayana Road,
T.Nagar, Chennai - 17

CHIEF FINANCIAL OFFICER

R. Govindarajan

NATIONAL HEAD

OPERATIONS - R Raghavender Anand
INTERNAL AUDIT- M Mahender

COMPANY SECRETARY

Simi S S

LEGAL ADVISOR

M/s. Essess Associates
No.4, Trustpuram, 4th Cross
Street, Kodambakkam,
Chennai-600 024.

LIST OF FUNDERS / BANKERS

Public Sector Banks/ FIs

Andhra Bank
Bank of Baroda
Bank of Maharashtra
Corporation Bank
Dena Bank
IDBI Bank
NABARD
Pallavan Grama Bank
State Bank of Hyderabad
State Bank of India
State Bank of Patiala
Union Bank of India
United Bank of India
Vijaya Bank

Private Sector / Foreign Banks

BNP Paribas
Development Credit Bank
Federal Bank
Karnataka Bank
Kotak Mahindra Bank
Lakshmi Vilas Bank
RBL Bank Ltd
State Bank of Mauritius
South Indian Bank
Tamil Nadu Mercantile Bank

NBFCs

AU Financiers India Ltd
Blue Orchards
Capital First Ltd
Caspian Advisors
Family Credit Ltd
Hero Fincorp Ltd
IFMR Finance Ltd
MAS Financial Services Pvt Ltd
Nabkisan Financial Services Ltd
Reliance Capital Ltd
Religare Finvest Ltd

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DIRECTORS AND THEIR PROFILE



Mr. V.P. Nandakumar

Post graduate in Science with additional qualifications in Banking & Foreign Trade. He is the Managing Director & CEO of Manappuram Finance Ltd.



Mr. B.N. Raveendrababu

Post Graduate in Commerce with additional qualification in Management Accounting from the U.K. He occupied senior positions in Finance and Accounts in various organizations in the Middle East.



S.V. Raja Vaidyanathan

B.Tech (IIT Madras), MBA (IIM Calcutta), AICWAI, ACS and has more than 36 years of experience in the field of financial services, infrastructure, media, telecom & Retail sectors in large private sector.



Kalpana Iyer

FCA and ex-business head of Citibank-Micro finance division. Presently a management consultant in Mumbai. She has more than 27 years of work experience.



Mr. V.R. Rajiven

He is an IPS officer, retired in 2010 as Director General of Police & Commandment General, Fire & Rescue Services, Kerala.



Mr. Gautam Saigal

He is a qualified Chartered Accountant. He has over 23 years of experience in financial services of which over 16 years has been in private equity investment. Gautam has been a member of the Board of Directors and Board Committees in several companies including in financial services, telecom, energy distribution, healthcare, IT services, consumer products, logistics, infrastructure etc.



Mr. A. Ramanathan

M.B.A. He retired as a Chief General Manager from NABARD in Micro Credit innovations Department. He is expert in Institutional Development, Organisational Development, Organisational Behaviour, Small Business Development, Training need assessment, Training techniques etc. He has more than 35 yrs of rich experience in the banking industry

Asirvad Microfinance Pvt. Ltd.



Message from Chairman

It is my pleasure to present to you our 09th Annual Report for the year ended March 31, 2016. I am happy to report that your company has performed spectacularly over the last year, being the first full year as a subsidiary of Manappuram Finance Ltd. Our business has soared and we have expanded to many more geographies, thereby setting up a solid base for continued growth in the future as well.

Economic Outlook

Indian economy is on the path of steady recovery. After two years of drought like situation agriculture output had suffered leading to depressed farm incomes and higher food inflation. However, this year the Indian Meteorological Department has predicted above normal monsoon across India. Good monsoon is likely to bring relief to India's agriculturists and increase rural income levels with positive impact on rural demand and consumption. Moreover, if monsoon is normal and adequate, food prices will likely be kept in check thereby curtailing inflationary expectation.

The Reserve Bank of India (RBI) has, accordingly, maintained its accommodative stance on monetary policy although further rate cuts have been held back against the backdrop of resurgence in crude and other commodity prices and pending clarity on how monsoon pans out.

The RBI will shortly review the implementation of the Marginal Cost Lending Rate frameworks by banks to reduce the cost of borrowing and have the benefits of decreasing key policy rate passed on to customers. Further, at the policy making level, considerable progress has made over the last couple of years. The new Bankruptcy law, real estate and Aadhaar bills becoming law, further liberalisation in FDI norms and in the financial system etc. are some of the areas to make headway. The introduction of 'on-tap' licence for opening new banks is particularly welcome for the large NBFCs.

According to the latest estimated released by the Central Statistics Office, India's economic growth to register 7.6% in 2015-16 against the government's more modest expectation of 7-7.5% growth. With good monsoon and expected increase in corporate profitability due to lower input cost and increased domestic demand and with pick up in private and public investments, the economy's growth prospects are bright.

Outlook for Non-Banking Financial Companies (NBFCs)

Non-banking financial companies (NBFCs) have been a success story in India. In terms of financial assets, NBFCs have recorded healthy growth—CAGR of 19 per cent over the past few years—and now account for 13 per cent of the total credit and which is expected to reach nearly 18 per cent by 2018-19.

Over the years, the NBFC sector has evolved considerably in terms of its size, operations, technological sophistication and entered into the new areas of financial services and products. Although total number of NBFCs has come down from 51,929 in 1997 to 11,700 as of March 2016, aggregate assets of systematically important non-deposit taking NBFCs and deposit taking NBFCs

have grown from Rs 700 billion at the end of March 1998 to Rs 15 trillion at the end of December 2015. Share of NBFC assets as a percentage of scheduled commercial banks' assets has increased from 7 per cent in 1998 to 14.8 per cent in March 2015.

Outlook for Microfinance Institutions (MFIs)

Non-banking Financial Companies - Micro Finance Institutions (NBFC-MFIs) play an important role in the government's agenda of financial inclusions. NBFC-MFIs cater to unbanked sections of Indian society under the regulatory oversight of the Reserve Bank of India (RBI). The outreach of MFI has been growing rapidly. According to a recent report, MFIs together have a branch network of 9,669 (increase of 22 per cent over last year) with an employee count of 86,565 of whom the majority (63 per cent) are loan officers providing door to door services to low income clients. The data also reveals that MFIs cater to around 3.25 crore clients as of March 2016, an increase of 44 per cent compared to the previous year. The aggregate gross loan portfolio of MFIs registered an increase of 84 per cent to Rs 53,233 crore as of March 2016 as compared to the previous year. Another aspect of the MFI sector in India is that market share is largely concentrated among a few big players. Large MFI players account for about 90 per cent of the industry gross loan portfolio (GLP).

The aggregate loans disbursed by MFIs during financial year 2015-16 has also registered a growth of 65 per cent to Rs 61,860 crore, as compared to the year before. There is an increase in loan size too with the average loan amount disbursed per account increasing by 21 per cent to Rs 17,805 in March 2015. Non-agricultural activities, mainly trade, services and manufacturing, accounted for the maximum share of 64 per cent of loans disbursed, followed by agriculture at 31 per cent. Households finance accounted for 5 per cent of the loan portfolio.

One area of concern in this context is the stringent norms for asset classification now in place. For NBFC-MFIs, non-standard assets are defined as an asset for which interest / principal payment have remained overdue for a period of 90 days or more. Provisioning norms stipulate 50 percent provision on aggregate loan instalments overdue for more than 90 days up to 180 days and 100 percent provision for aggregate of loan instalments overdue for 180 days or more. Such stringent regulation are negatively affecting MFIs and impeding their growth for MFIs. Since MFIs cater mostly to customers with little or no regular incomes (being seasonal), the 90 days norm leads to higher reported non-standard assets that impacts profitability.

Takeover by Manappuram

In February 2015, Asirvad Microfinance Pvt. Ltd. with an AUM a little short of Rs.300 crore was acquired by Manappuram Finance Ltd. Today, one year after the takeover, Asirvad's AUM has more than tripled to over Rs.1,000 crore. Prior to takeover, this was a microfinance company struggling against odds to grow. It had a quality management sincerely committed to the cause of microfinance but the company was burdened by high interest costs. After Manappuram Finance came into the picture, Asirvad was able to leverage its parent's credit worthiness. It got expand access to bank finance at significantly lower cost than before, giving it comfortable cushion to meet competition head on, and later to expand to new geographies like Madhya Pradesh, Chhatisgarh, Punjab, Haryana, Chandigarh, Jharkhand, Bihar, West Bengal and UP. By the end of FY 2015-16, Asirvad's AUM had grown to Rs.1,000 crore, a three-fold increase.

Today, India's microfinance industry is, in general, doing well, and we expect Asirvad to maintain growth at a rapid pace in the coming years as well.

Performance of the Company

Fiscal year 2015-16 marked an inflection point as Asirvad was able to grow its business substantially in the first full year of operations after its takeover by the Manappuram Finance.

Net profit for the year ended March 31, 2016 has gone up to Rs.23.96 crores, a commendable increase of 130.40 percent, compared to Rs.10.39 crores reported in FY 2014-15. Operating income for the year stood at Rs.145.07 crores, an increase of 149.04 percent in comparison to Rs. 58.25crores recorded the year before.

Thank you

I am grateful to all our shareholders and all other stakeholders for their support to the company through its days of challenge and setbacks. We are thankful to the Reserve Bank of India for maintaining stability in a potentially volatile environment. I now seek your continued support so that we can sustain the performance and keep growing the business over the coming years. I believe together, we can go farther and achieve much more.

With best wishes,

V.P. Nandakumar,
Chairman

DIRECTORS' REPORT

The Directors have pleasure in presenting before you the Annual Report of the Company together with the Audited Statement of Accounts for the year ended 31st March, 2016.

FINANCIAL RESULTS:

(Rs. In Crores)

S.No	Particulars	Year Ended 31 st March, 2016	Year Ended 31 st March, 2015
1	Gross Income	156.09	67.32
2	Less: Total Expenditure	119.82	51.71
3	Profit Before Tax	36.27	15.61
4	Profit After tax	23.96	10.40

RESERVES & DIVIDEND:

During the year an amount of Rs.47,916,977/- representing 20% of the current profits of the year of the Company transferred to Statutory Reserve.

During the year under review, Preference share dividend was paid at the rate of 12%.

ADDITIONAL INVESTMENT BY MANAPPURAM FINANCE LIMITED:

Reserve Bank of India has issued its approval letter no.DNBS (Che) No. 1309/13.27.056/2015-16 dtd 03rd February, 2016 for increasing the shareholding of Manappuram Finance Limited from 85% to 100% in your Company over a period of time.

During the financial year 2015-16, Manappuram Finance Limited subscribed further 1,03,51,966 equity shares in the Company and thereby increasing their stake to 90.38%.

As at March 2016, Manappuram holds 90.38% stake in the Company with the balance being held by Mr. S.V. Raja Vaidyanathan (8.48%) and others (1.14%).

OPERATIONS AND BUSINESS PERFORMANCE:

During the year, your Company expanded its operations to the state of Madhya Pradesh, Chattisgarh, Jharkhand, West Bengal, Bihar, Uttar Pradesh, Haryana, Punjab and Chandigarh as part of diversifying into other areas. The operational highlights of your Company are:

- Client base has increased to 6 lakhs across 343 branches in 13 states (from 2.78 lakhs across 141 branches in 3 states)
- Gross Loan Portfolio at Rs. 998 Crs (Rs. 340 Crs as on March 2015).
- Total disbursement during the year was at Rs. 1108 Crs (Rs. 411 Crs for FY 2015).
- Your Company has ensured compliance to all guidelines stipulated by Reserve Bank of India for the Microfinance Industry.
- Head Count of 1810 employees (as against 553 for FY 2015).

CREDIT RATING:

CARE has upgraded the grading of your Company to MFI 1, the highest in the industry. The bank loan rating is also upgraded to A- by ICRA & CARE .

RBI GUIDELINES:

Your Company is registered with RBI as Non-Deposit Non-Banking Company by their original letter in December 2007. RBI's approval was regularized vide their letter DNBS (Che)/CMD/3843/13-27.056/9-16 dated 19th April 2010. RBI had also issued the Certificate of registration as NBFC-MFI to your Company on 4th of October 2013. Your Company has also complied with all applicable regulations of Reserve Bank of India. As per Non-Banking Finance Companies RBI Directions, 1998, the Directors hereby report that your Company did not accept any public deposits during the financial year under review. Your Company continues to comply with all the guidelines prescribed for a systematically important NBFC.

The Board of Directors and its various Sub- Committees have met from time to time and ensured adherence to the guidelines issued by RBI. Liquidity Risk Management, Interest Rate Risk, Funding and Capital Planning, Profit Planning and Growth Projections, Pricing, Credit Risk, Portfolio Risk Management, Operational and Process Risk Management have also been reviewed from time to time and the Sub-Committees have also been making necessary changes to KYC and other disclosure norms based on the policies being issued by the Central bank at periodic intervals.

CAPITAL ADEQUACY:

The Capital Adequacy Ratio was 24.84% as on 31st March 2016. The minimum capital adequacy requirement stipulated for NBFC MFIs by Reserve Bank of India is 15%.

ISSUE OF CAPITAL:

The authorized share capital of the Company is Rs. 40 Crores represented by Rs. 30 Crores of Equity and Rs. 10 Crores of Preference Share Capital. The paid-up capital of your Company as on reporting date was Rs. 26.28 Crores.

EMPLOYEE STOCK OPTION PLAN:

ESOP and the right to subscribe to future shares

During 2011-12, the Company had put together an Employee Stock Option Plan as a retention tool for the employees. During this year 2015-16, the outstanding options of 10,000 numbers of shares had been allotted to Mr.S V Raja Vaidyanathan at Rs.11.17 per option as per the Employee Stock Option agreement dated 1st November 2011 and 1st November 2012.

CREDIT BUREAU SUBSCRIPTION:

Your Company continues to submit monthly and weekly data to Highmark, CIBIL and Equifax Credit Bureaus and also use their credit report for every single loan is sanctioned. This coupled with the efficient process has resulted in a strong portfolio quality with very minimal delinquencies.

FAIR PRACTICES CODE:

RBI had been issuing revised Fair Practices Code guidelines from time to time and your Company has adhered to all of them without any compromise. The new Fair Practices Code, code of

conduct, Code of Ethics and Grievance Redressal Mechanism which have been approved by the Board and displayed prominently in all the branches of your Company.

ASIRVAD DEVELOPMENT FOUNDATION:

Asirvad Development Foundation (ADF), the Corporate Social Responsibility arm of the Company had been providing financial assistance to the underprivileged deserving students for Education, meeting emergency care requirements of the needy. The details are included in the report on Corporate Social responsibility which is a separate annexure forming part of the Directors Report.

BOARD MEETINGS:

The Board of Directors met 07 times during the year on 12.05.2015, 31.07.2015, 06.10.2015, 29.10.2015, 03.02.2016, 04.03.2016 and 17.03.2016.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

During the period under review there was no change in the composition of Board of Directors.

During the year, Mr. G. Srikanth resigned as the Chief Financial Officer of the Company on 09/10/2015. Mr. Govindarajan Ramabadrnan has been appointed as the Chief Financial Officer of the Company as on 23/09/2015.

During the year, Mrs. K. Nithya resigned as the Company Secretary of the Company on 29/10/2015. Ms. Simi S S has been appointed as the Company Secretary of the Company as on 29/10/2015.

COMPOSITION OF AUDIT COMMITTEE:

Audit Committee comprises 2 independent directors and 1 non- independent director.

DIRECTOR'S RESPONSIBILITY STATEMENT:

Pursuant to Section 134(5) of the Companies Act, the Directors confirm that

- I. In the preparation of the Annual Accounts, all the applicable accounting standards had been followed with the proper explanation relating to material departures.
- II. The directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period.
- III. The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- IV. The directors have prepared the annual accounts on a going concern basis and
- V. The directors, in the case of a listed Company, had laid down internal financial controls to be followed by the Company and that such internal Controls are adequate and were operating effectively.

Explanation- For the purpose of this clause, the term “Internal financial Controls” means the policies and procedures adopted by the company 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.

VI. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

EXTRACT OF ANNUAL RETURN:

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rule, 2014, an extract of annual return in MGT-9 as a part of this report is annexed.

AUDITORS:

Deloitte Haskins & Sells, Chartered Accountants, who are the statutory auditors of the Company, hold office until the conclusion of the ensuing AGM and are eligible for re-appointment. Members of the Company at the AGM held on 12th September, 2014 had approved the appointment of Deloitte Haskins & Sells as the Statutory Auditors for a period of five financial years i.e., up to 31 March, 2019. As required by the provisions of the Companies Act, 2013, their appointment should be ratified by members each year at the AGM.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Management’s Discussion and Analysis report for the year under review has been attached as a separate annexure forming a part of the Annual Report.

CORPORATE GOVERNANCE REPORT:

The Directors have adhered to the corporate governance requirements and have implemented the best corporate governance practices. A report on Corporate Governance of your Company will be attached as a separate annexure forming a part of the Director’s Report.

SECRETARIAL AUDIT REPORT:

Secretarial Audit report for the year 2015-16 is attached as separate Annexure forming part of the Directors’ Report.

PARTICULARS OF EMPLOYEES REMUNERATION:

In terms of the provisions of Section 197 (12) of the Companies Act, 2013 read with Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time. Mr. S.V. Raja Vaidyanathan, Managing Director has drawn Rs.11,950,000/- during financial year 2015-16 as his remuneration which falls under the ceiling.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The particulars relating to energy conservation, technology absorption, foreign exchange earnings and outgo as required to be disclosed under section 134(3) (m) of the Companies Act, 2013 read

with Rule 8 of the Companies (accounts) Rules, 2014, your Company had not engaged in any activity relating to consumption of energy or technology absorption. Your Company had not spent any foreign currency expenditure and your Company has no foreign currency earnings.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The Company has duly complied with the provision of Section 186 of the Companies Act, 2013 and it has taken.

Secured Loan:	Rs. 4,173,734,423
Unsecured Loan:	NA
Current/Non-Current Investments:	Rs. 5,00,000
Guarantees:	NA
Securities Extended:	NA

ACKNOWLEDGEMENT:

Your directors express their appreciation for the assistance and co-operation received from Banks, Financial Institutions, Government Authorities, Customers, Vendors and other members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the sincere and committed services by the executives, staff and other employees of your Company.

For and on behalf of the Board of Directors

V.P. Nandakumar
Chairman & Director

S.V. Raja Vaidyanathan
Managing Director

FormNo.MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31ST MARCH 2016

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:	
i. CIN	U65923TN2007PTC064550
ii. Registration Date	29/08/2007
iii. Name of the Company	ASIRVAD MICROFINANCE PRIVATE LIMITED
iv. Category/Sub-Category of the Company	COMPANY LIMITED BY SHARES/ INDIAN NON GOVERNMENT COMPANY
v. Address of the Registered office and contact details	DESHBANDHU PLAZA, FIRST FLOOR 47, WHITES ROAD, CHENNAI-600014
vi. Whether listed company	No
vii. Name, Address and Contact details of Registrar and Transfer Agent, if any	S.K.D.C. CONSULTANTS LIMITED KANAPATHY TOWERS, 3RD FLOOR, 1391/A1, SATHY ROAD, GANAPATHY, COIMBATORE - 641 006 PHONE: +91 422 6549995,

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr.No.	Name and Description of main products / services	NIC Code of the Product/	% to total turnover of the company
1	Microfinance- Lending to microfinance borrowers through Joint Liability Group	MFI	90.86%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name And Address of The Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Manappuram Finance Limited	L65910KL1992PLC006623	Holding	90.38%	Section 2(46)

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

i. Category-wise ShareHolding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total Shares	% of Total	Demat	Physical	Total Shares	% of Total	
A. Promoter									
1) <i>Indian</i>									
a) Individual/ HUF	23,17,966		23,17,966	14.71%	23,27,966		23,27,966	8.86%	
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	1,33,98,013		1,33,98,013	85.03%	2,37,49,979		2,37,49,979	90.38%	
Sub-total(A)(1):-	1,57,15,979		1,57,15,979	99.71%	2,60,77,945		2,60,77,945	99.24%	
2) <i>Foreign</i>	-	-	-	-	-	-	-	-	-
g) NRIs-Individuals	-	-	-	-	-	-	-	-	-
h) Other-Individuals	-	-	-	-	-	-	-	-	-
i) Bodies Corp.	-	-	-	-	-	-	-	-	-
j) Banks / FI	-	-	-	-	-	-	-	-	-
k) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total(A)(2):-	-	-	-	-	-	-	-	-	-
B. Public Shareholding									
1. <i>Institutions</i>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	-	-	-	-	-	-	-	-	-
2. <i>Non Institutions</i>									
a) Bodies Corp.									
(i) Indian									
(ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	13,334	-	13,334	0.09%	18,334		18,334	0.07%	
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	26,668		26,668	0.17%	1,80,357		1,80,357	0.69%	
c) Others(Specify)	-	-	-	-	-	-	-	-	-
Sub-total(B)(2)	40,002		40,002	0.28%	1,98,691		1,98,691	0.76%	
Total Public Shareholding (B)=(B)(1)+ (B)(2)	40,002		40,002	0.28%	1,98,691		1,98,691	0.76%	
C. Shares heldby Custodianfor GDRs&ADRs									
	-	-	-	-	-	-	-	-	-
GrandTotal(A+B+C)	1,57,55,981		1,57,55,981	100%	2,62,76,636		2,62,76,636	100%	

i. Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Mr. S.V. Raja Vaidyanathan	22,17,966	14.08%	-	22,27,966	8.48%	-	5.6%
2.	Ms. Anjana Vaidyanathan	1,00,000	0.63%	-	1,00,000	0.38%	-	0.25%
	Total	23,17,966	14.71%	-	23,27,966	8.86%	-	5.85%

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

Sr. no		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	23,17,966	14.71%	23,17,966	14.71%
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	03.02.2016 10,000 (allotment-ESOP)		23,27,966	8.86% (dilution due to renunciation of right issue of shares)
	At the End of the year	23,27,966	14.71%	23,27,966	8.86%

iv. Shareholding Pattern of Top 10 shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. no	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	40,002	0.07%	40,002	0.07%
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	1,58,689 (17.03.2016 - Rights issue)	0.69%	1,58,689	0.69%
	At the End of the year	1,98,691	0.76%	1,98,691	0.76%

v. Shareholding of Directors and Key Managerial Personnel:

Sr. no	For Each of the Directors	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	22,31,300	14.16%	22,31,300	14.16%
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	10,000 (ESOP- Allotment for S.V. Raja Vaidyanathan, Managing Director) 1,58,689 (Rights issue to Mr. V.R. Rajiven, Mr. Gautam Saigal, Mr. A. Ramanathan, Mr. V.P. Nandakumar & Mr. Raveendra Babu)	0.60%	1,68,689	0.60%
	At the End of the year	23,86,655	9.08%	23,86,655	9.08%

I. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2,399,370,692	-	-	2,399,370,692
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not paid	18,051,324	-	-	18,051,324
Total (i+ii+iii)	2,417,422,016	-	-	2,417,422,016
Change in Indebtedness during the financial year				
-Addition	8,748,970,591	-	-	8,748,970,591
-Reduction	(3,384,094,088)	-	-	(3,384,094,088)
Net Change	5,364,876,503	-	-	5,364,876,503
Indebtedness at the end of the financial year				
i) Principal Amount	7,673,285,219	-	-	7,673,285,219
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not paid	109,013,300	-	-	109,013,300
Total (i+ii+iii)	7,782,298,519	-	-	7,782,298,519

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

Sl. No.	Particulars of Remuneration	Mr. S. V. Raja Vaidyanathan Managing Director	Total Amount
1.	Grosssalary (a) Salary as per provisions contained in section 17 (1) ofthe Income-tax Act,1961 (b) Value of perquisite su/s 17(2) Income-tax Act,1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act,1961	1,19,50,000	1,19,50,000
2.	Stock Option	1,11,700	1,11,700
3.	Sweat Equity	-	-
4.	Commission - as% of profit - others, specify...	-	-
5.	Others, please specify	-	-
6.	Total (A)	1,20,61,700	1,20,61,700
	Ceiling as per the Act		

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Kalpna Iyer	VR Rajivan	A Ramanathan	Gautam Saigal	Total Amount
	Independent Directors - Fee for attending board committee meetings - Commission - Others, please specify	1,05,000	1,52,000	2,06,000	-	4,63,000
	Total(1)	1,05,000	1,52,000	2,06,000	-	4,63,000
	Other Non-Executive Directors - Fee for attending board committee meetings - Commission - Others, please specify	-	-	-	1,50,000	1,50,000
	Total(2)	-	-	-	1,50,000	1,50,000
	Total(B)=(1+2)	1,05,000	1,52,000	2,06,000	1,50,000	6,13,000
	Total Managerial Remuneration	1,05,000	1,52,000	2,06,000	1,50,000	6,13,000
	Overall Ceiling as per the Act					

C. Remuneration to Key Managerial Personnel Other Than MD / Manager / WTD

Sl. no.	Particulars of Remuneration	Key Managerial Personnel				Total
		Company Secretary		CFO		
		Simi SS (from 29.10.15)	K. Nithya (till 29.10.15)	R. Govinda rajan (from 23.09.15)	G. Srikanth (till 09.10.16)	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisite su/s17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	2,64,443	4,22,890	14,72,220	28,68,886	50,28,439
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission - as% of profit - others, specify...	-	-	-	-	-
5.	Others, please specify	-	-	-	-	-
6.	Total	2,64,443	4,22,890	14,72,220	28,68,886	50,28,439

I. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT/Court]	Appeal made. If any (give details)
A. Company					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA
B. Directors					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA
C. Other Officers In Default					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA

**MANAGEMENT
DISCUSSION
ANALYSIS**

MANAGEMENT DISCUSSION ANALYSIS

INTRODUCTION

Non-banking Financial Companies - Micro Finance Institutions (NBFC-MFIs) play an important role in the government's agenda of financial inclusions. NBFC-MFIs cater to unbanked sections of Indian society under the regulatory oversight of the Reserve Bank of India (RBI). The outreach of MFI has been growing rapidly. According to a recent report, MFI's together have a branch network of 9,669 (increase of 22 per cent over last year) with an employee count of 86,565 of whom the majority (63 per cent) are loan officers providing door to door services to low income clients. The data also reveal that MFIs cater to around 3.25 crore clients as of March 2016, an increase of 44 per cent compared to the previous year. The aggregate gross loan portfolio of MFIs registered an increase of 84 per cent to Rs 53,233 crore as of March 2016 as compared to the previous year. Another aspect of the MFI sector in India is that market share is largely concentrated among a few big players. Large MFI players account for about 90 per cent of the industry gross loan portfolio (GLP).

The aggregate loans disbursed by MFIs during financial year 2015-16 has also registered a growth of 65 per cent to Rs 61,860 crore, as compared to the year before. There is an increase in loan size too with the average loan amount disbursed per account increasing by 21 per cent to Rs 17,805 in March 2015. Non-agricultural activities, mainly trade, services and manufacturing, accounted for the maximum share of 64 per cent of loans disbursed, followed by agriculture at 31 per cent. Households finance accounted for 5 per cent of the loan portfolio.

As a step in the right direction, RBI has ceded licences to eight MFIs to operate as Small Finance Banks. These MFIs with in-principle SFB licences would benefit from low cost funding in the form of deposits. They may also be in a position to offer a wide range of credit products to individual borrowers.

GROWTH DRIVERS OF MFIs

Indian rural economy has slowed down over the last two years. This has adversely affected the asset quality to some extent and weakened the growth of the financial sector. A strong monsoon and pro-growth rural focused policy measures should lead to a pick-up in the rural economy and augur well for the MFI companies with rural and semi urban presence.

FINANCIAL YEAR 2015-16

The Financial year 2015-16 has been a landmark year for Asirvad as the company put up the highest growth in its portfolio since its inception, doubling its States presence, improving the employee productivity, matched by a number of key process and technology initiatives in its area of operations aimed at customer service. During the year, the company has come under the classification as a Large MFI as it has crossed Rs. 500 Crores Gross loan portfolio mark in September 2015. The present AUM is has exceeded Rs. 1000 Crores.

EXPANSION OF NETWORK

The company expanded its reach to 346 branches, with addition of 87 new branches this year. A

record customers were acquired by Asirvad and thus participating in their entrepreneurial journey. It has also achieved of 167% growth in business volumes and 122% uptick in customer acquisition one of the highest in the industry.

AUM

The Assets under Management has crossed Rs. 1000 crores which is significant when compared to the AUM of Rs. 330 Crores as at 31st March, 2015.

SECURITISATION

During 2015-16 the company securitised its assets worth Rs. 161 crores as against Rs. 78.3 crores during 2014-15. With securitisation, the company ensures better borrowing profile, leading to lower interest liability as its loan assets are classified as priority sector lending by Banks as per Regulation. The outstanding securitised assets portfolio stood at Rs. 137.8 crores as on March 31, 2016 (accounting for 14% of the total assets under management as on March 31, 2016).

OPERATIONAL HIGHLIGHTS

Financial Year 2015 - 16, has been an excellent year for AMPL in terms of growth and expansion to newer states. At the beginning of the year, AMPL operations were spread in the southern states of Tamil Nadu (inclusive of Puducherry), Kerala and Karnataka.

With the support of the Parent organization, AMPL started to expand its operations to Northern States. Initially expansion started in Madhya Pradesh in June followed by Chattisgarh in July and then to Punjab, Haryana and Chandigarh in August 2015. Buoyed by the response received in these states, AMPL further expanded to the states of Uttar Pradesh in September, Jharkhand in November, Bihar in January and finally to West Bengal in February 2016. Care has been taken to avoid problematic districts in each of these states so that the operations continue unabated resulting in good quality portfolio.

Our total branch count increased to 346 Branches, in 11 States and 2 UT with disbursement of Rs. 1108 Cr during the year. State wise AUM as on March 31, 2016 is as under.

State	Aum In Cr	%
Tamilnadu	524	52.51%
Kerala	74	7.41%
Karnataka	188	18.84%
Madhya Pradesh	77	7.72%
Chattisgarh	22	2.20%
PHC	33	3.31%
Uttar Pradesh	34	3.41%
Jharkhand	42	4.21%
Bihar	3	0.30%
West Bengal	1	0.10%
Total	998	100

As can be seen from the above, the concentration in Tamilnadu which was at 85% in March 2015 has been reduced to 52.5% in March 2016. Also with the expansion in newer states picking up momentum in the coming financial year, the concentration would be evenly spread out in all the states thereby reducing the risk.

The following are some of the operational highlights:

Particulars	Mar-15	Jun-15	Sep-15	Dec-15	Mar-16
No. Of States	6	7	9	10	13
No. of Branches	141	151	205	271	346
No. of Districts	44	50	65	92	101
No. Employees	553	705	1037	1494	1810
No. Active Members	277615	328837	381022	463125	600815
Disb. In Crs.	411	171.56	375.20	646.8	1108
Portfolio In Crs.	322	418.34	546.22	703.78	998

FINANCIAL HIGHLIGHTS

Particulars (Rs. in Crores)	March 2016	March 2015	March 2014	March 2013	March 2012
Paid up Capital	26.27	20.76	8.07	8.04	8.04
Microfinance Portfolio Under Management	998.81	322.00	188.80	102.46	79.37
Borrowings (Rs. in Crores)	778.32	240.17	165.29	98.98	50.40
Total Revenue (Rs. in Crores)	156.09	67.33	37.30	20.40	24.28
Profit after tax (Rs. in Crores)	23.96	10.40	4.70	2.13	1.29
Total Assets (Rs. in Crores)	1044.61	368.81	215.44	131.96	78.74

KEY RATIOS

Ratio	2015-16	2014-15
PBT / Total Income	23.24%	23.19%
PBT / Total Assets	3.47%	4.23%
ROE	20.3 %	22.8 %
Return on Portfolio	3.99 %	4.00 %
Debt Equity	3.38	2.98
Capital Adequacy	24.8 %	35.0 %
Book Value Rs.	87.55	69.99
Net Interest Margin	9.47 %	7.41 %

Productivity and cost optimisation

The company also deployed its resources towards strengthening its technology across branches. Technology adoption has allowed the company to improve productivity in its back-offices. Also, the company is focused on adding field officers and feels that it can cater to the enhanced branch strength with little addition to the number of employees in the back-offices.

The company sees an immense opportunity to gain further share in the fast growing MFI segment and to clearly focus on customer engagement, continued focus on productivity, operational

excellence, cost optimisation and rededicating to the power of execution sought to innovate in all its activities and to continue to touch and improve the lives of its customers.

Resource Mobilisation & Treasury Operations

The company has raised second round of equity from Manappuram Finance Ltd taking the equity of the holding company to 90.3% from the then existing 85%. This has enabled the company to prop up the capital adequacy ratio and raise debt from Banks and NBFCs to the optimum extent. The continuous flow of funds has to a large extent helped the company achieve the highest ever growth recorded in its Microfinance loan disbursements during the financial year. The company has also benefitted from decline in borrowing costs during the financial year 2015-16 as it could raise debt at 200-250 basis points lesser compared to the borrowing rates during the financial year 2014-15.

Asirvad also developed funding relationships with many new Banks/ Financial Institutions like State Bank of India, HDFC Bank, State Bank of Mauritius, State Bank of Hyderabad, Tamil Nadu Mercantile Bank, Bank of Baroda, Union Bank of India, United Bank of India, Capital First Limited, Religare Finvest Limited, Hero Fincorp Limited, BNP Paribas, Lakshmi Vilas Bank, Federal Bank, AU Financiers India Limited, Blue Orchards etc and this will help to diversify its funding sources in the years to come.

The company deploys the short term liquid cash, arising due to the gap between the date of availing the debt and the date of loan disbursement to the microfinance customers, in liquid mutual funds to maximise the yield on such idle funds.

Delinquencies

The company preferred to strengthen its credit norms and kept a close watch on delinquencies. During 2015-16, the total assets under management increased by 70% to Rs. 998 Crores. The company's gross NPAs and net NPAs stood at 0.11 % and 0.08 % respectively.

OUTLOOK, RISKS AND OPPORTUNITIES

The Microfinance industry presents significant opportunity with a growing population, and rising incomes. The risks of competition is also increasing with the entry of new players and also the diversification by the existing players into other geographies. The company endeavours to overcome these risks and to sustain and improve its market position by superior innovation, consumer relevant communication and through a relentless focus on employee productivity.

NEW INITIATIVES

i. SME Loans

The rising income and prosperity levels in India has led to many new opportunities like home finance and SME loans. The company has ventured into SME financing albeit in a small scale during the financial year. The SME portfolio has crossed Rs. 1 Crore as at 31st March, 2016. The company will face stiff competition from Banks, NBFCs and other MFIs in this space. It has set higher targets for SME loans in the Financial year 2016-17 as compared to the previous year and will take measures aimed at strengthening the network and surge the business volumes under this segment. It will also foray into micro housing loans during the financial year 2016-17 which will add diversity to its existing loan products.

ii. Cashless loan disbursement

The company has started cash less loan disbursement process in some of its Branches in certain States by crediting the savings bank accounts of the borrowers. Though there are few issues

such as inaccuracy in ceding the bank accounts numbers and servicing bank branch, the same are being sorted out by educating the customers and field staff to provide these with accuracy. The number of cashless loan disbursements will be increased gradually as to cover all the customers over a period of time and thus provide a fillip to the financial inclusion agenda.

iii. CMS tie-up

The company has tied up with a leading private sector Bank for provision of complete cash management services right from collection of cash at its Branch offices, deposit and crediting of the same to the company's current account at the end of the day on real time basis. This will be fully operational in the first half of Financial year 2016-17. Similar services in respect of loan disbursements has been planned by which the Bank will deliver the cash at the Branch offices of the company on a daily basis to meet its loan disbursement needs. This facility will enable it to avoid cash carrying risk to an extent, ensure availability of cash in the centralised account and provision of MIS in quick time.

iv. Mobile initiative

The company has started sending short messages, to its customers on a pilot basis, containing the information as to microfinance loan disbursements and also the cash remittances by them. This will be achieved 100% over a period of time by encouraging the customers to provide mobile numbers at the loan application stage.

CREDIT RATINGS

CARE Ratings assigned 'A-' rating to Company's long term debt. ICRA has reaffirmed 'A-' rating to the Company's long term debt.

The MFI Grading improved further during the year to MFI 1 (the highest grading) by CARE Ratings from the then existed MFI 2 + from ICRA.

SCOT OF ASIRVAD

STRENGTHS

Quality service

The company provides financial services through simple processes and procedures in sanction and disbursement of credit as well as timely, friendly and flexible terms of repayment aligned to the unique features of its customers. Easy and fast appraisal and disbursements make the Company, the preferred choice for many of its customers.

Round the corner

An established reach and network helps the Company to cater to the remotest of semi urban and rural areas. More than 90% of the unorganised sector has no link with banks and 60% of the rural consumers do not have bank accounts. The Company has significant business presence in semi-urban and rural areas.

CUSTOMER INSIGHT

Focus on customer is one of the key factors that have driven the Company in all these years. A strong business model and a prudent insight about its customers gives the Company a competitive edge. Better risk management have made the company achieve commendable growth as well.

Strong balance sheet:

On the asset side, loans and advances make up nearly 92.6% of the total assets. This primarily includes auto loans. Most of these loans are retail loans, and therefore spread a large customer and geographic base.

OPPORTUNITIES

India has one of the youngest populations in the world, and this means that there will be a large number of people seeking employment and livelihood. The aspirations in rural India are rising, and opportunities for those wanting to be entrepreneurs are increasing. The Company will be capitalising on this as it has large presence in these untapped areas.

THREATS

Rising competition and staff frauds are the two major threats in the MFI sector. The company has been consistently raising its standards to be the best at execution with renewed focus on gaining trial among customers at the point of market entry.

HUMAN RESOURCES

“Asirvad’s strength lies in the dedication and commitment of its employees towards their work.”

Microfinance industry is highly people oriented, and hence the primary challenge of any company is to identify people with the right skill sets and aptitude, followed by additional challenges of retention, talent management and development. It is also necessary to enhance their skill and knowledge so that they become capable of assuming higher responsibilities in future. And no doubt, the staff of a Microfinance Institution should also have a social bent of mind so that they can render their duties without any compromise on the social mission of the organisation.

As on March 31, 2016, the number of employees in our company stood at 1810 across 10 States and 2 Union Territories that the company has its operations in. This represents a three- fold over the staff strength as on March 31, 2015. Entry into newer geographies and significant expansion of operations has resulted in the increase in staff strength.

The other challenge faced by the company the generally prevalent high attrition amongst the Field Staff due to their tendency to shift employment regularly for higher monetary benefits. The compensation provided by our company is benchmarked to market standards and we also conduct annual performance appraisals to retain the best talent and take steps to promote and reward high performing individuals. The Field staffs are also rotated on their jobs constantly and even across functions in order to enhance their skills and maintain their morale.

Asirvad has always had committed, high vintage staff due to employee friendly work conditions, comparable monetary compensation and also the work challenges which have served as great motivators. And these have been the pillars of strength on which the edifice of the company has been built.

TRAINING

Training Department was started in the Organisation for the first time in its history on Nov 2015. This financial year of 2015 - 16, is special one for the Training Department because it is the beginning of one of the successful stories of the Asirvad

Considering the Quality requirements of the organisation, Training Team at Asirvad initially focussed to benchmark the standards of learning and ensuring the organisation equipped with

platform and structures to create learned and skilled workforce. In this quest, first of its kind Certification Process was initiated in the organisation across India

Till 31 Mar 2016, record 1258 field employees are trained and certified, constituting more than 80% of the workforce. This has transformed the organisation as a unique brand with knowledgeable workforce delivering the field responsibilities with improved quality and performance

Presently Training Team is headed by Head - Training and supported by Trainers at different locations.

INFORMATION TECHNOLOGY

Information technology (IT) is the application of computers to store, retrieve, transmit and manipulate data, often in the context of a business or other enterprise.

Asirvad IT - Innovations

The software solution envisages use of modern mobile technology whereby the FDO only carries mobile to his centre and updates the collection record using the mobile phone directly. This enables us to have an online MIS and update data on the clients history and track record. This will enable us to track our portfolio in a better way.

Asirvad - Software Vendor

Bankers Realm.NET is a state-of-art banking automation software application, developed by Craft Silicon at Bangalore to afford convenience of operation, accurate maintenance of data and retrieval thereof, and automated compilation of statistics, amongst others.

This manual describes the features and functionality of Bankers Realm.NET banking automation software, and guides you to automate your operations and effectively use the application. We believe that the most sophisticated system is the simplest to use.

And we have centralised data submission with Credit Bureau System (Equifax, Highmark & CIBIL).

TREASURY

As liquidity is the essential element in lending business, Asirvad is in constant liaison with the banks and financial institutions to ensure that we have an unhampered flow of liquidity which can help grow the lending business. During this year CARE has upgraded the grading of the Company to MFI 1 which is the highest in the industry. The bank loan rating is also upgraded to A- by ICRA & CARE .

The remarkable upgradation of credit rating and the presence of Manappuram helps the Company to access the bank finance at lower interest rate in forthcoming future.

INTERNAL AUDIT

Internal Audit plays an important role in Asirvad to ensure that the business operations are carried out as per the laid down policies of the company. The focus of the Internal Audit Team is not only to highlight the audit observations to the Operations Department but also help the field level staff to rectify the mistakes and to ensure that similar mistakes are not repeated. It provides a comprehensive check on the microfinance operations and staff by carrying out different types of audits viz., GRT Audit, Disbursement Audit, Center Audit, Document Audit and Branch

Audit. In the process, we ensure that a center is audited at least twice in a year in any form of audit to maintain regular contact with the member borrowers to address their issues as also to avoid frauds both at the center and staff level. In addition, special audit as and when required to meeting specific requirements of the company are also undertaken.

It is ensured that the eligibility criteria as per RBI guidelines are followed while selecting the member borrowers in the form of credit bureau check viz., 1. The same member is not provided credit by more than 2 MFIs; 2. The maximum loan provided does not exceed Rs.60,000/-.The observations are broadly categorized into three types viz., major, less major and minor observations and these are highlighted to the operations department in the form of Red, Orange and Yellow Alerts. Compliance is critical to the Audit process. In order to ensure that the Branch and Divisional office staff understand the deficiencies and discrepancies regarding documentation, process and staff, compliance of the audit observations are mandatory for each Audit conducted. While overall functioning of the Internal Audit is monitored by the Managing Director of the company, major audit findings are also highlighted to the Audit Sub Committee.

RISK MANAGEMENT

Lending Business is always subject to multiple risks. Asirvad always identifies and analyse the impact of several internal and external risks.Credit risk arising out of delinquencies on account of non-performing portfolio, Operational risk cropping up from inadequate processes or failure to adhere to predefined processes, Liquidity risk impacting the flow of funds to the organization and Sector risk arising out of political considerations are some of the major risks faced by every organization.

The risk management framework is perhaps one of the most important parameters that define the success of a financial services organization. A risk management programme establishes a process of identifying and assessing the major risks covering all areas of the institution's activities. This includes all activities geared toward meeting its strategic, operational, reporting, and compliance objectives. Management then develops ways to manage and mitigate these risks by implementing a very strong system of internal controls. Management is accountable to the board of directors for the state of the institution's risk management and is responsible for reporting to the board of directors its assessment of the institution's risk and its efforts to manage and reduce this risk. The board of directors is responsible to ensure that management has implemented a risk management programme, that resources are allocated for risk management and internal controls, and that there is adequate oversight of the audit function as one of the board of director's responsibilities.

The Board of Directors and its various Sub- Committees have met from time to time and ensured adherence to the guidelines issued by RBI. Liquidity Risk Management, Interest Rate Risk, Funding and Capital Planning, Profit Planning and Growth Projections, Pricing, Credit Risk, Portfolio Risk Management, Operational and Process Risk Management have also been reviewed from time to time and the Sub-Committees have also been making necessary changes to KYC and other disclosure norms based on the policies being issued by the Central bank at periodic intervals

Date: 06th May, 2016
Place: Chennai

Sd/-
S.V.Raja Vaidyanathan
Managing Director

CORPORATE GOVERNANCE

REPORT ON CORPORATE GOVERNANCE

A Good corporate Governance practice is a key factor of sustainable corporate growth and maintains a long term relationships with the stakeholders of the Company. Asirvad is committed to highest level of corporate Governance practices and emphasizes the need for full transparency and accountability in all transactions, in order to protect the interests of its stakeholders. This enables the Company to attract high quality financial and human capital.

As Asirvad believes that a strong professionally balanced Board of Directors is necessary to ensure the highest standards of Corporate Governance, we have an appropriate mix of executive /non executive and independent directors in our Board. Board of Directors represent the shareholder's interest in perpetuating a successful business and optimizing long term financial returns in a manner consistent with applicable regulatory and legal requirements and ethical considerations.

The Board plays a critical role in overseeing how the management serves the short and long term interests of shareholders and other stakeholders. This is reflected in the governance practices, under which the company strives to maintain an active, informed and independent Board. They ensure that the Company complies with all relevant laws, regulations, governance practices, accounting and auditing standards. They identify key risk areas and key performance indicators of the Company's business and constantly monitor these factors.

In terms of corporate governance philosophy, all statutory and significant material information is placed before the Directors to enable them to effectively supervise the Company.

Asirvad's Corporate Governance philosophy is based on the following principles:

- Compliance to laws in both letter and spirit
- Utmost transparency in dealings with all the stakeholders
- Clear communication of relevant information and high degree of disclosure levels
- Make a clear distinction between personal conveniences and corporate resources
- Communicate externally, in a truthful manner, about how the Company is running internally
- Have a simple, transparent and efficient corporate structure driven solely by business needs
- Create value for all stakeholders without compromising on ethical principles.

Board of Directors and Composition of the Board

Your Company had a balanced composition of executive and non executive Directors during the year. It includes professional independent Directors from various backgrounds which helps to ensure that the Company's performance is in line with the value of stakeholders and its continuous growth.

The following are the responsibilities of the Board of Directors:

- Keep the organization's mission, values, and vision at the forefront of all business decisions.
- Measure the performance of the institution under key areas of capital adequacy, asset quality, profitability, liquidity management, and financial audit, which provides the board with the capacity to adequately assess the strength of the institution's internal controls.
- Strategic planning for the organization which involves drawing up long term goals and identifying short term milestones in order to maintain effective tracking of the achievement of such long term goals.

- Monitor fiscal management and maintain accountability to funders and donors.
- Review and approve the annual budget, major program plans and organizational policies.
- Ensure that adequate resources are available to the organization to fulfill the goals
- Determine and Monitor the Organization's Products, Services and Programs
- Define clear risk management and internal control policies and procedures

The Board of Directors currently consists of 7 members which includes 3 Independent Directors.

During the year ended 31st March 2016, 7 Board meeting were held on the following dates 12th May, 2015, 31st July, 2015, 06th October, 2015, 29th October, 2015, 03rd February, 2016, 04th March, 2016 and 17th March, 2016.

Particulars of the Attendance at the Board Meetings are given below:

S.No	Name of the Director	Category	Attendance
1	Mr. V.P.Nandakumar	Chairman	6/7
2	Mr. S.V. Raja Vaidyanathan	Managing Director	7/7
3	Mrs. Kalpana Iyer*	Independent Director	4/7
4	Mr.B.N.Raveendra Babu	Director	7/7
5	Mr.V.R.Rajiven*	Independent Director	6/7
6	Mr.Gautam Saigal	Director	6/7
7	Mr.A Ramanathan*	Independent Director	7/7

*Independent Directors

Committees of the Board

Board committees are formed to help the Board of Directors conduct its business more efficiently. Committees offer individuals an opportunity to contribute their specific talents and expertise for the overall betterment of the organization. Committees also serve as training grounds for board members to take on positions of increasing responsibility. Board committees improve the quality and efficiency of the Board by defining ways to address and resolve issues. The Committees also help focus on specific aspects which may miss the attention of the Board given the paucity of time and also on account of the multifarious issues that may be placed in front of the Board. Asirvad's Board has assigned considerable responsibilities to committees to work effectively. The Board is assisted by Committees which oversee the various aspects relating to Operations, Borrowing Strategy, Finance & Accounts, Compensation, etc. The Committees of the Board of Directors of the Company are as under:

Audit Committee

The Audit Committee, being the sub-group of the full board, has an important role to play in the process of financial monitoring and reporting. The audit committee is established with the aim of enhancing confidence in the integrity of an organization's processes and procedures relating to internal controls and corporate reporting including financial reporting. Audit Committee provides an 'independent' reassurance to the board through its oversight and monitoring role, ensuring transparency and accuracy of financial reporting and disclosures, effectiveness of external

and internal audit functions, robustness of the systems of internal audit and internal controls, effectiveness of anti-fraud, ethics and compliance systems, and review of the functioning of the whistleblower mechanism. Audit Committee may also play a significant role in the oversight of the company's risk management policies and programs. Both internal and external auditors report directly to the audit committee.

The functions of the audit committee include

- Monitor and review the Company's financial statements and internal controls.
- Supervise financial reporting process.
- Review financial results before placing them to the Board along with related disclosures and filing requirements.
- Review adequacy of internal controls and performance of internal audit function.
- Discuss with management, the Company's major policies with respect to risk assessment and risk management.
- Ensure compliance with accounting standards with respect to financial statements

Each Member of the Committee has relevant experience in the field of finance, banking and accounting with a majority of the Members being professionals with long years of corporate work experience. The Audit Committee consists of members who are not involved in the day to day functioning of the organization in any executive capacity which lends an air of independence to its functioning. Such independence helps the Committee members in impartially evaluating the financial aspects of the company and taking necessary corrective action.

During the year under review, the audit committee met 4 times on the following dates - 12th May, 2015, 31st July, 2015, 29th October, 2015, 03rd February, 2016. The details of the composition, number of meetings held and attendance thereat during the year are as under:

S.No	Name of the Director	Category	Attendance
1	Mrs.Kalpana Iyer	Independent Director	3/4
2	Mr.Gautam Saigal	Member Director	3/4
3	Mr.V R Rajiven	Independent Director	4/4

Borrowing Committee

The Borrowing Committee is in place to approve fresh borrowings from banks and financial institutions and also to empower designated individuals in the senior management to finalize the terms and conditions relating to the proposal under consideration. The Borrowing Committee met 25 times during the year on the following dates -18/05/2015, 03/06/2015, 12/06/2015, 19/06/2015, 25/06/2015, 09/07/2015, 15/07/2015, 29/07/2015, 07/08/2015, 18/08/2015, 05/09/2015, 22/09/2015, 17/11/2015, 25/11/2015, 30/11/2015, 22/12/2015, 28/12/2015, 28/01/2016, 04/02/2016, 17/02/2016, 11/03/2016, 25/03/2016, 29/03/2016, 05/04/2016 and 29/04/2016

Compensation Committee

Asirvad has a credible and transparent policy in determining and accounting for the remuneration of the directors. The objective was to determine the correct remuneration package while striking a balance between the interests of the company and the shareholders. The Committee consisted of three members namely Mr.VR Rajiven, Mr.Gautam Saigal and Mr.B N Raveendra Babu.

Asset - Liability Committee

The risk management framework is perhaps one of the most important parameters that define the success of a financial services organization. A risk management programme establishes a process of identifying and assessing the major risks covering all areas of the institution's activities. This includes all activities geared toward meeting its strategic, operational, reporting, and compliance objectives. Management then develops ways to manage and mitigate these risks by implementing a very strong system of internal controls. Management is accountable to the board of directors for the state of the institution's risk management and is responsible for reporting to the board of directors its assessment of the institution's risk and its efforts to manage and reduce this risk. The board of directors are responsible to ensure that management has implemented a risk management programme that resources are allocated for risk management and internal controls, and that there is adequate oversight of the audit function as one of the board of director's responsibilities.

Asset Liability Committee is constituted to monitor the asset liability gap, strategize action to mitigate the risk associated, ensuring adherence to the limits set by the Board as well as for deciding the business strategy of the company (on the assets and liabilities sides) in line with the company's budget and decided risk management objectives. The Committee has met 12 times during the year.

Remuneration to Directors

No remuneration was paid to any Non-Executive Director except as Sitting Fees for attending the Board Meeting.

General Body Meeting

During the year ended 31st March 2015, 8th Annual General Meeting was held on 31st July, 2015 and an Extra ordinary General Meeting held on 29th October, 2015. The details are given below:

S.No	Date	Time	Venue
1	31 st July, 2015 (AGM)	2.45PM	Hotel Residency Towers, Chennai - 600 017
2	29 th October, 2015	3.00 PM	First Floor, Lemuir House, GN Chetty Road, Chennai 17

All the proposed resolutions, including special resolutions were passed by the shareholders as set out in their respective notices.

General Shareholder Information as on 31st March 2016

Category	No of shares	% of shareholding
Corporate Body	2,37,49,979	90.38
others	25,26,657	9.62
Total	2,62,76,636	100

For and on behalf of the Board

V.P.Nandakumar
Chairman and Director

S.V.Raja Vaidyanathan
Managing Director

Date: 06/05/2016

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March 2016

(pursuant to section 204(1) of the Companies Act 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014

To
The Members
M/s Asirvad Microfinance Private Ltd.
'Deshbandhu Plaza'
No.47 Whites Road, 1st Floor
Chennai 600 014.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s Asirvad Microfinance Private Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Companies (Acceptance of Deposits) Rules, 2014.
- (iii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (v) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulation, Guidelines, Standards.

During the period under review :

1. The Company has taken loans from the Banks/Financial Institutions from time to time. Necessary charges in Form CHG-1 were filed.
2. The Company has also taken inter-corporate loans and repaid it in the year itself.

3. The Company has allotted Secured Non-Convertible Listed Debentures.
4. The Company has not accepted Deposits from the public.
5. The Company has not declared dividend during the year for equity shareholders.
6. The Company has increased its Authorised Share Capital from Rs.30 Crores to Rs.40 Crores.
7. The Management of the Company has been taken over by M/s Manappuram Finance Ltd., by acquiring majority shares in the company. They have been allotted 1,03,51,966 Equity shares by Rights Issue after complying with the provisions of Sec.62 of the Companies Act 2013. Presently, they are holding 90.38% of the total paid-up share capital of the company.
8. The company has spent the eligible profit on Corporate Social Responsibility Measures through Asirvad Development Foundation, a Trust created for this purpose.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. From the time of incorporation, the Company has a Woman Director as required under sec.149 of the Companies Act 2013.

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

Decisions were carried unanimously. However, important discussions on members' views are captured and recorded, as part of the minutes.

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

This report is to be read with my letter of even date which is annexed as Annexure A and forms an integral part of this report.

Place : Chennai
Date : 6th May 2016

Signature:
S. Hari
Company secretary in practice
FCS No. 821
C P No.: 4276

Annexure 'A'

To,
The Members
M/s Asirvad Microfinance Private Ltd.
'Deshbandhu Plaza'
No.47 Whites Road, 1st Floor
Chennai 600 014.

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on the Secretarial Audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the company.

Place : Chennai
Date : 6th May 2016

Signature:
S. Hari
Company secretary in practice
FCS No. 821
C P No.: 4276

**CORPORATE
SOCIAL
RESPONSIBILITY**

CORPORATE SOCIAL RESPONSIBILITY

**“In order to carry a positive action
we must develop here a positive vision”**

Asirvad Development Foundation (ADF), the Corporate Social Responsibility arm of the Company had been providing financial assistance to the underprivileged deserving students for Education, meeting emergency care requirements of those who are unable to afford the fees, renovation of dilapidated school buildings, etc. ADF is based on the philosophy of achieving sustainable economic development through philanthropy. Through philanthropic contribution and support of employee volunteerism, Asirvad Development Foundation aims in advancing social change through educational, financial, humanitarian and health-related initiatives.

Education is a tool to refine human mind and intellect. However it is very unfortunate that a lot of children are unable to afford education due to poverty. An educated child will turn out to be a worthy citizen of the country. One of the primary objectives of Asirvad Development Foundation is to foster the educational needs of the children who show a willing to study but are prevented from doing so due to lack of resources. One of the programs undertaken during this year was the financial support provided to the underprivileged students to pursue their education.

The Student Scholarship Scheme commenced in the year 2011-12 and continued this year as well. During this year 2015-16, ADF provided educational assistance of Rs.18.70 lakhs to the deserved students. These benefits are provided to the members of Asirvad and also to the qualifying people among the general public at large

During the financial year 2015-16, (ADF) has provided various financial assistance to the deserved people apart from the annual educational scholarships to the students. The major contributions are as below mentioned:

- Essential food items costing Rs.200/-each for 10,000 members affected in branches of Chennai and Villupuram divisions was during the Chennai floods.
- Contribution of Rs. 4,25,000 towards AIM FOR SEVA for the construction of Toilet block building in Semmangudi Boys Student at Kumbakonam, Thanjavur District.
- Contribution of Rs.1,04,000/- to Dream Runners Foundation for Prosthetic Legs.
- Contribution of Rs.2,50,000/- to Amaravathi Government School, Kumily for construction of Girl's toilet.
- Rs. 8,72,759/-for installation of solar panels in Sri Sathya Sai Institute of Educare, Chennai.
- Rs.45,173/- to Govt.U.P.School, Kozhinjampara, Palakkad for procuring basic school materials.
- Contribution of Rs.42,000/- to Sri Kavery Medical Care (Trichy) Ltd for medical aid to a child for open heart surgery.

Though our achievements may seem small when compared to the immensity and imminence of the tasks we have already committed ourselves to and the tasks awaiting and clamouring for our attention, we believe in the philosophy of tiny drops making a mighty ocean.

I would also like to take this opportunity to extend my gratitude to the employees of Asirvad

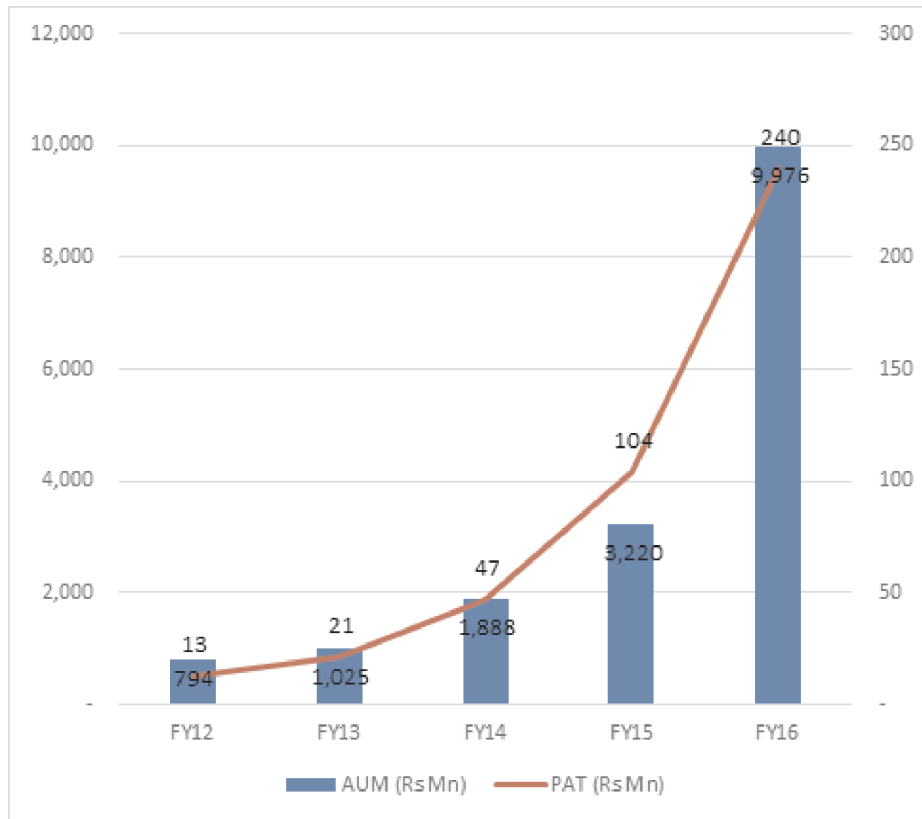
Microfinance Private Limited, who have been extending their support, financial and non-financial, in identifying the deserved people, seeking their concerns and updating the Management team, their monthly contribution to ADF and finally in ensuring that the benefits provided by the trust reach the beneficiaries in a timely manner.

Our trust looks forward to and is geared up for the immense work awaiting us in the field of social service that uplifts the economically weaker section, awakens the depressed, comforts the deprived and rehabilitates the displaced. Our trust would continue to work towards the upliftment of the economically weaker section and is confident of valuable contributions from all concerned in furthering its objectives of catering to the health, education and sanitation.

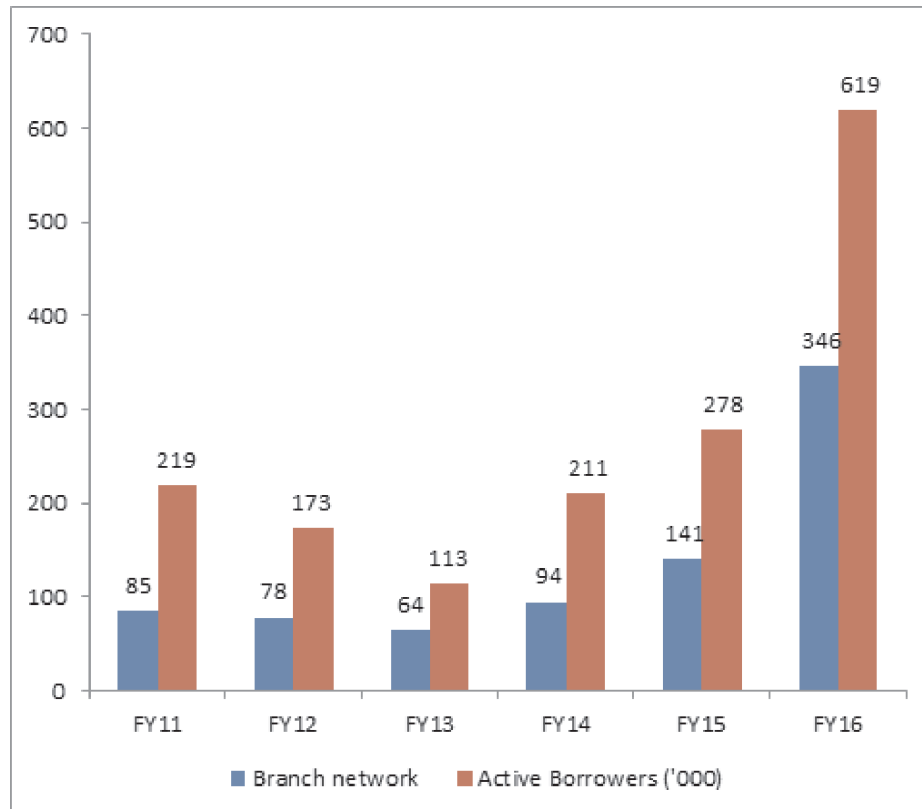
S V Raja Vaidyanathan
Managing Director

**ASIRVAD
JOURNEY**

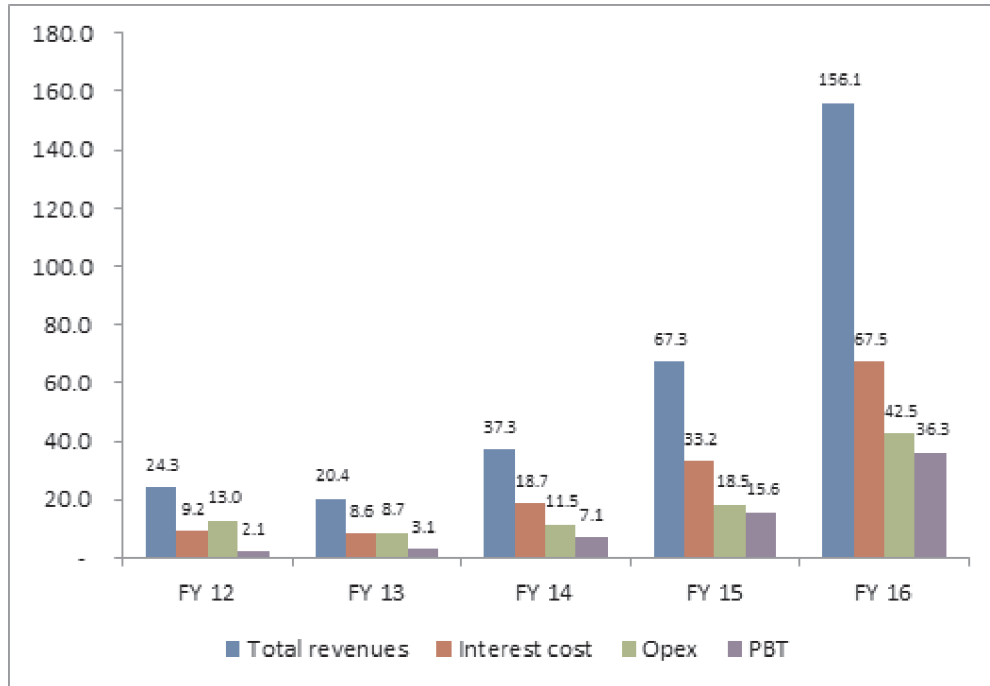
PORTFOLIO & PROFITABILITY GROWTH



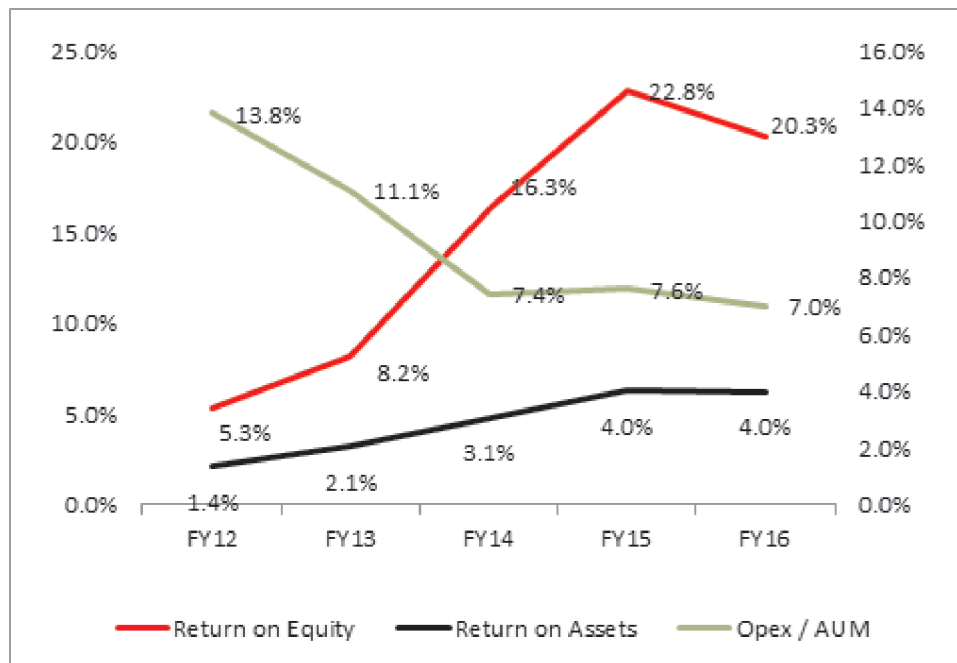
OPERATIONAL METRICS



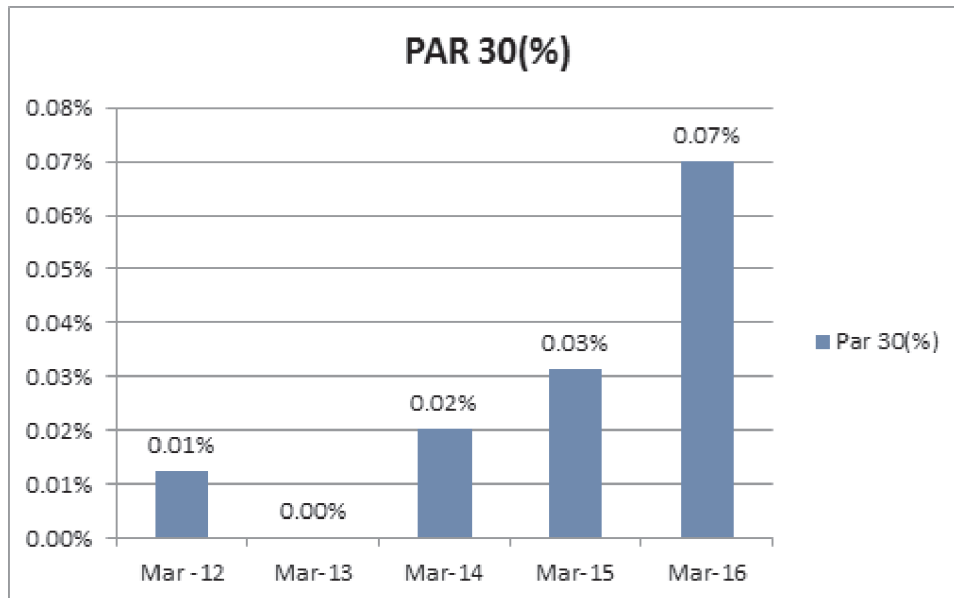
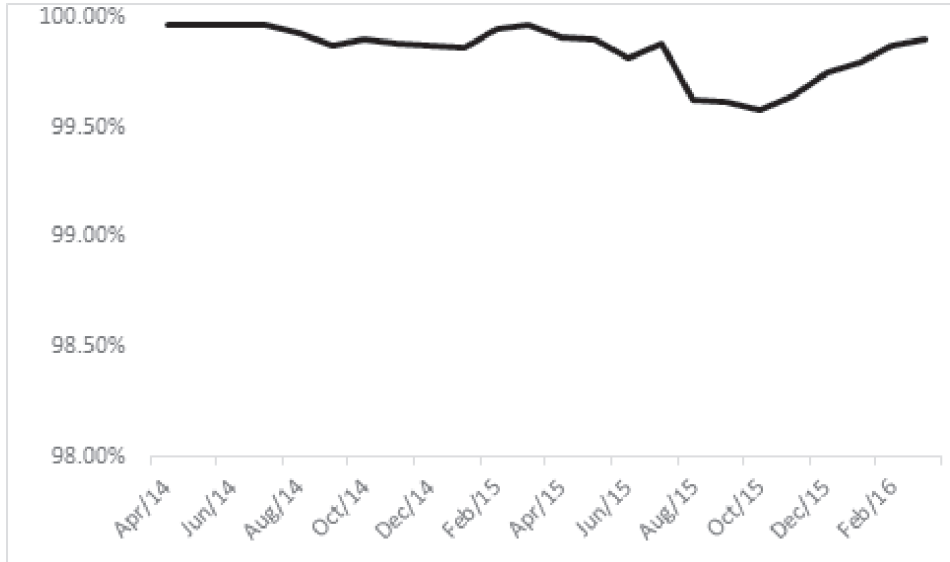
FINANCIAL SNAPSHOTS



FINANCIAL RATIOS

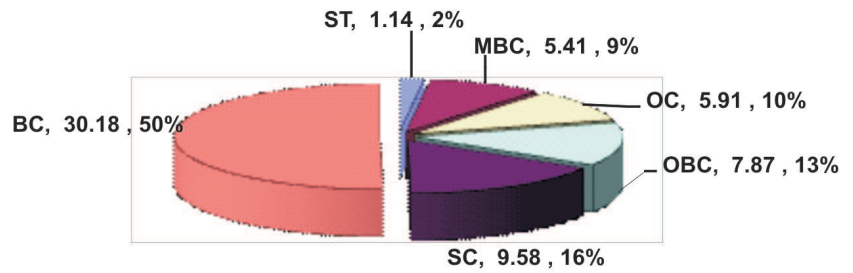


ROBUST NATURE OF ASIRVAD PORTFOLIO COLLECTION EFFICIENCIES



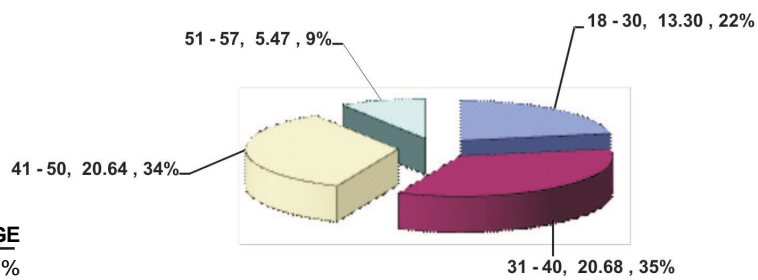
CUSTOMER DEMOGRAPHY

6,00,815 ACTIVE MEMBERS - CASTE WISE



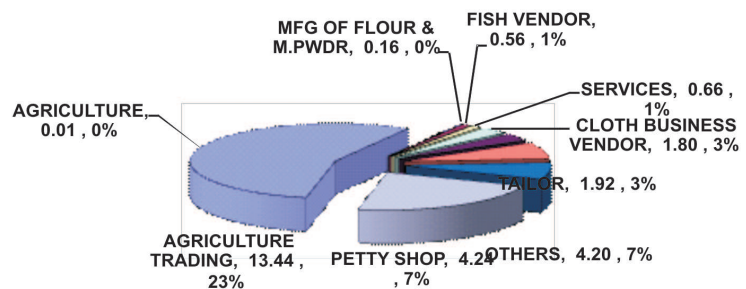
CASTE	TOTAL	%
ST	1.14	1.90%
MBC	5.41	9.00%
OC	5.91	9.84%
OBC	7.87	13.09%
SC	9.58	15.94%
BC	30.18	50.23%
TOTAL	60.09	100.00%

6,00,815 ACTIVE MEMBERS - AGE WISE



AGE WISE	TOTAL	PERCENTAGE
18 - 30	13.30	22.13%
31 - 40	20.68	34.41%
41 - 50	20.64	34.35%
51 - 57	5.47	9.11%
TOTAL	60.08	100.00%

6,00,815 ACTIVE MEMBERS OCCUPATION WISE



OCCUPATION	TOTAL	%
MFG OF FLOUR & M.PWDR	0.16	0.27%
FISH VENDOR	0.56	0.92%
SERVICES	0.66	1.10%
CLOTH BUSINESS VENDOR	1.80	2.99%
TAILOR	1.92	3.19%
OTHERS	4.20	6.98%
PETTY SHOP	4.24	7.05%
AGRICULTURE TRADING	13.44	22.36%
AGRICULTURE	33.12	55.13%
TOTAL	60.09	100.00%

**AUDITOR'S
REPORT**

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

ASIRVAD MICROFINANCE PRIVATE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **ASIRVAD MICROFINANCE PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, 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 principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act, as applicable.

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.

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 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.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosure 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 we have obtained 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 principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, 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, 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 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 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, as applicable.
 - e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as 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.
 - 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, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses on long-term contracts.
 - 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 Hasking & Sells
Chartered Accounts
(Firm’s Registration No.08072S)

Bhavani Balasubramnian
Partner
Membership No.22156

CHENNAI, May 06, 2016

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1 (f) under ‘Report on Other Legal and Regulatory Requirements’ 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 Asirvad Microfinance Private Limited (“the Company”) as of March 31, 2016 in conjunction with our audit of the standalone 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 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 judgment, 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 authorizations 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 give 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 March 31, 2016, 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.

CHENNAI, May 06, 2016

For Deloitte Hasking & Sells
Chartered Accounts
(Firm's Registration No.08072S)

Bhavani Balasubramnian
Partner
Membership No.22156

ANNEXURE B TO THE INDEPENDENT AUDITORS' 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 its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - (b) Some of 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 and hence reporting under clause (i) (c) of the CARO 2016 is not applicable.
- (ii) The Company does not have any inventory and hence reporting under clause (ii) of the CARO 2016 is not applicable.
- (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) The Company has not granted any loans, made investments or provide guarantees and hence reporting under clause (iv) of the CARO 2016 is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013
- (vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) CARO 2016 is not applicable.
- (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 dues, including Provident Fund, Employees' State Insurance, Income-tax, Service Tax and other material statutory dues applicable to it with the appropriate authorities. The undisputed statutory dues relating to Sales Tax, Wealth Tax, Customs Duty and Excise Duty are not applicable to the Company.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Value Added Tax, Wealth Tax, Service Tax and other material statutory dues in arrears as at 31st March, 2016 for a period of more than six months from the date they became payable.
 - (c) There are not dues of Income-tax, and Service Tax which have not been deposited as on March 31, 2016 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 dues to banks, financial institutions and debenture holders. The Company has not taken any loans or borrowing from government.

- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given to us, money raised by way of the 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.
- (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 other than embezzlement of cash amounting to Rs.16.38 lakhs by employees in three of the branches of the Company (Refer Note 43 to the financial statements) detected and appropriately dealt with by the management.
- (xi) The Company is a private company and hence the provisions of section 197 of the Companies Act, 2013 do not apply to the Company.
- (xii) The Company is not Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 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 etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares of fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (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 Hasking & Sells
Chartered Accounts
(Firm's Registration No.08072S)

Bhavani Balasubramnian
Partner
Membership No.22156

CHENNAI, May 06, 2016

FINANCIAL STATEMENTS

Balance Sheet as at 31 March 2016			
	Note No.	As at 31 March, 2016 Rs.	As at 31 March, 2015 Rs.
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	262,766,360	207,559,810
(b) Reserves and surplus		2,037,738,652	895,219,832
		<u>2,300,505,012</u>	<u>1,102,779,642</u>
2 Non-current liabilities			
(a) Long-term borrowings	5	4,173,734,423	915,859,756
(b) Other long-term liabilities	6	-	36,783
(c) Long-term provisions	9 (i)	26,931,680	7,467,981
		<u>4,200,666,103</u>	<u>923,364,520</u>
3 Current liabilities			
(a) Trade Payables	7		
Total outstanding dues of micro enterprises and small enterprises (Refer Note 37)			
Total outstanding dues of creditors other than micro enterprises and small enterprises		36,898,302	16,606,547
(b) Other current liabilities	8	3,824,092,409	1,614,632,679
(c) Short-term provisions	9 (ii)	83,987,499	30,699,575
		<u>3,944,978,210</u>	<u>1,661,938,801</u>
		<u>10,446,149,325</u>	<u>3,688,082,963</u>
B ASSETS			
1 Non-current assets			
(a) Fixed assets	10		
(i) Tangible assets		33,176,900	9,578,673
(ii) Intangible assets		-	540
		<u>33,176,900</u>	<u>9,579,213</u>
(b) Non-current investments	11	500,000	500,000
(c) Deferred tax assets (net)	12	42,572,993	13,604,871
(d) Receivables under financing activity	16 (ii)	2,016,462,559	696,838,185
(e) Long-term loans and advances	13	6,144,139	8,734,341
(f) Other Non-Current assets	14	310,431,380	153,340,174
		<u>2,376,111,071</u>	<u>873,017,571</u>
2 Current assets			
(a) Current investments	15	250,083,708	-
(b) Receivables under financing activity	16 (i)	6,594,067,440	1,945,940,927
(c) Cash and cash equivalents	17	965,453,652	682,508,980
(d) Short-term loans and advances	18	25,156,877	8,487,566
(e) Other current assets	19	202,099,677	168,548,706
		<u>8,036,861,354</u>	<u>2,805,486,179</u>
		<u>10,446,149,325</u>	<u>3,688,082,963</u>

See accompanying notes forming part of the financial statements

In terms of our report attached.

For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board of Directors

Bhavani Balasubramanian
Partner

V P Nandakumar
Chairman

S V Raja Vaidyanathan
Managing Director

Gautam Saigal
Director

A Ramanathan
Director

Kalpana Iyer
Director

V R Rajiven
Director

Place : Chennai
Date : 06 May 2016

R Govindarajan
Chief Financial Officer

Simi S S
Company Secretary

Statement of Profit and Loss for the year ended 31 March 2016			
Particulars	Note No.	For the year ended 31 March, 2016 Rs	For the year ended 31 March, 2015 Rs.
INCOME			
Revenue from operations	20	1,450,738,945	582,515,525
Other income	21	110,134,864	90,747,352
		1,560,873,809	673,262,877
EXPENSES			
Finance costs	22	674,988,836	332,307,577
Employee benefit expenses	23	265,295,416	113,959,304
Depreciation and amortisation expense	10	19,781,816	6,189,441
Provision and other losses	24 (a)	72,880,963	16,416,660
Other Expenses	25	139,898,408	48,264,312
		1,172,845,439	517,137,294
PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS		388,028,370	156,125,583
Exceptional items:			
Loss assets written off	24(b) & 28	25,320,335	-
PROFIT BEFORE TAX		362,708,035	156,125,583
(a) Tax expense for current year		151,791,153	58,416,586
(b) Short provision of tax relating to prior years		300,118	-
(c) Deferred tax		(28,968,122)	(6,278,225)
Net tax expense		123,123,149	52,138,361
PROFIT FOR THE YEAR		239,584,886	103,987,222
Earnings per share (of Rs.10/- each):			
- Basic	34 (a)	14.03	11.13
- Diluted		14.03	11.08
Earnings per share (of Rs.10/- each) (excluding Exceptional items) :			
(a) Basic	34 (b)	15.56	11.13
(b) Diluted		15.56	11.08

See accompanying notes forming part of the financial statements

In terms of our report attached.

For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board of Directors

Bhavani Balasubramanian
Partner

V P Nandakumar
Chairman

S V Raja Vaidyanathan
Managing Director

Gautam Saigal
Director

A Ramanathan
Director

Kalpana Iyer
Director

V R Rajiven
Director

Place : Chennai
Date : 06 May 2016

R Govindarajan
Chief Financial Officer

Simi S S
Company Secretary

Cash Flow Statement for the year ended 31st March, 2016		
	For the year ended 31st March, 2016	For the year ended 31st March, 2015
A. Cash flow from Operating Activities		
Profit Before Tax	362,708,035	156,125,583
Adjustments for:		
Depreciation/ amortisation	19,781,816	6,189,441
Expense on employee stock option scheme	32,579	435,963
Portion of capital grant taken to income based on depreciation of underlying asset	(36,783)	(42,809)
Provision for standard receivables under financing activity	59,613,977	14,035,739
Provision for Sub-standard / doubtful receivables under financing activity	2,273,269	248,924
Provision for Credit enhancements on assets under financing activity	8,006,857	(749,091)
Provision for compensated absences	4,889,305	603,519
Loan assets written off	28,307,195	2,131,997
Profit on sale of fixed assets	(318,123)	(599,740)
Interest on Term loans & Debentures	606,018,026	281,191,453
Dividend income	(11,077,346)	(6,071,296)
Interest on Income tax refund	(532,818)	-
Interest on deposits	(34,306,513)	(31,973,587)
Interest income from borrowers	(1,261,407,947)	(467,107,666)
Income from processing and membership fees	(64,803,444)	(29,997,031)
Income from securitisation of receivables	(90,221,041)	(53,437,241)
Operating profit before working capital changes	(371,072,956)	(129,015,842)
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Receivables under financing activity	(6,796,507,168)	(1,408,674,053)
Short-term loans and advances	(16,669,311)	(3,495,109)
Other current assets	23,562,673	(68,015,315)
Other non-current assets	(146,747,871)	31,092,702
Securitisation of assets (net)	800,449,086	74,909,146
Margin money deposit	12,202,770	-
Adjustments for increase / (decrease) in operating liabilities:		
Increase in trade payables	20,291,755	1,903,634
Increase in other current liabilities	88,734,204	55,377,153
Increase in Provisions	1,459,443	-
Cash flow generated from/ (used in) operations	(6,384,297,375)	(1,445,917,684)
Interest paid on Term loans & Debentures	(515,056,050)	(280,780,633)
Interest received from borrowers	1,197,610,807	457,183,525
Income from processing and membership fees	110,169,050	39,049,214
Income from securitisation of receivables	59,942,200	51,374,884
Interest income on deposits	30,646,674	15,493,982
Refund received from Income tax	3,492,930	-
Net income tax paid	(145,641,512)	(57,000,000)
Net cash flow used in operations	(5,643,133,276)	(1,220,596,712)

	For the year ended 31st March, 2016	For the year ended 31st March, 2015
B. Cash flow from investing activities		
Capital Expenditure		
Proceeds from Sale of Fixed Assets	328,787	(11,073,195)
Purchase of fixed assets	(49,534,306)	(11,073,195)
Purchase of current investments	(5,315,000,000)	(2,041,005,356)
Proceeds from sale of current investments	5,065,000,000	2,047,076,652
Dividend received	10,993,638	6,071,296
Net cash flow generated from investing activities	(288,211,881)	2,088,398
C. Cash flow from financing activities		
Proceeds from long-term borrowings-Term Loans	6,640,000,000	2,873,375,158
Proceeds from long-term borrowings-Debentures	1,500,000,000	530,000,000
Repayment of long-term borrowings	(2,506,085,026)	(2,675,523,173)
Repayment of debentures	(360,000,201)	(130,416,555)
Proceeds from finance lease	-	2,776,132
Repayment of finance lease	(1,363,314)	(433,187)
Proceeds from issue of equity shares	1,015,440,972	631,385,118
Proceeds from issue of Preference shares	(50,000,000)	50,000,000
Preference Dividend paid including tax	(11,499,832)	-
Net cash flow from financing activities	6,226,492,599	1,281,163,493
Net increase in Cash and cash equivalents (A+B+C)	295,147,442	62,655,179
Cash and cash equivalents at the beginning of the year	515,285,040	452,629,861
Cash and cash equivalents at the end of the year	810,432,482	515,285,040
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents as per balance sheet (Refer note 17)	965,453,652	682,508,980
Less: Bank Balances not considered as cash and cash equivalents as defined in AS 3 Cash flow statements		
Balances held as margin money or security against borrowings, guarantees and other commitments	155,021,170	167,223,940
	810,432,482	515,285,040

In terms of our report attached.

For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board of Directors

Bhavani Balasubramanian
Partner

V P Nandakumar
Chairman

S V Raja Vaidyanathan
Managing Director

Gautam Saigal
Director

A Ramanathan
Director

Kalpana Iyer
Director

V R Rajiven
Director

Place : Chennai
Date : 06 May 2016

R Govindarajan
Chief Financial Officer

Simi S S
Company Secretary

Notes forming part of the financial statements

Note 3 Share capital

	As at 31 March, 2016		As at 31 March, 2015	
	Number of shares	Amount(Rs.)	Number of shares	Amount(Rs.)
(a) Authorised (Refer Note 26)				
Equity shares of Rs.10/- each	30,000,000	300,000,000	20,000,000	200,000,000
Preference shares of Rs.100/- each	1,000,000	100,000,000	1,000,000	100,000,000
	<u>31,000,000</u>	<u>400,000,000</u>	<u>21,000,000</u>	<u>300,000,000</u>
(b) Issued , Subscribed and Fully Paid Up				
Equity shares of Rs.10/- each	26,276,636	262,766,360	15,755,981	157,559,810
(c) Issued , Subscribed and Fully Paid Up				
Preference shares of Rs.100/- each	-	-	500,000	50,000,000
	<u>26,276,636</u>	<u>262,766,360</u>	<u>16,255,981</u>	<u>207,559,810</u>

Notes:

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period

Equity Shares	As at 31 March, 2016		As at 31 March, 2015	
	No of Shares	Amount(Rs.)	No of Shares	Amount(Rs.)
At the beginning of the year	15,755,981	157,559,810	8,070,855	80,708,550
ESOP (Refer Note 3(vi))	10,000	100,000	124,000	1,240,000
Additions during the year	10,510,655	105,106,550	7,561,126	75,611,260
Outstanding at the end of the year	<u>26,276,636</u>	<u>262,766,360</u>	<u>15,755,981</u>	<u>157,559,810</u>

Cumulative Redeemable Non Convertible Preference Shares	As at 31 March, 2016		As at 31 March, 2015	
	No of Shares	Amount(Rs.)	No of Shares	Amount(Rs.)
At the beginning of the year	500,000	50,000,000	500,000	50,000,000
Additions during the year	-	-	-	-
Redeemed during the year	500,000	50,000,000	-	-
Outstanding at the end of the year	<u>-</u>	<u>-</u>	<u>500,000</u>	<u>50,000,000</u>

(ii) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates

Class of shares / Name of shareholder	As at 31 March, 2016		As at 31 March, 2015	
	No of shares held	% holding in the class of shares	No of shares held	% holding in the class of shares
Equity / M/s Manappuram Finance Limited (Refer Note 27)	23,749,979	90.38%	13,398,013	85.03%

(iii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March, 2016		As at 31 March, 2015	
	No of shares held	% holding in the class of shares	No of shares held	% holding in the class of shares
Equity / S V Raja Vaidyanathan	2,227,966	8.48%	2,217,966	14.08%
Equity / M/s Manappuram Finance Limited (Refer Note 27)	23,749,979	90.38%	13,398,013	85.03%

Notes forming part of the financial statements

Class of shares / Name of shareholder	As at 31 March, 2016		As at 31 March, 2015	
	No of shares held	% holding in the class of shares	No of shares held	% holding in the class of shares
Preference Shares / S V Raja Vaidyanathan	-	0%	200,000	40%
Preference Shares / V Shankar	-	0%	200,000	40%
Preference Shares / Kalpana Iyer	-	0%	50,000	10%
Preference Shares / Shwetha Gandhi	-	0%	25,000	5%
Preference Shares / Mukesh Gandhi	-	0%	25,000	5%
Total	-	0%	500,000	100%

(iv) Terms / Rights attached to Equity shares:

The Company has only one class of equity shares having a par value of Rs. 10 per share. All these shares have the same rights and preferences with respect to payment of dividend, repayment of capital and voting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. Dividend proposed by the Board of Directors, if any is subject to the approval of the shareholders at the Annual General Meeting, except in the case of interim dividend.

(v) Terms / Rights attached to Preference Shares

The Company issued 5,00,000 cumulative redeemable non-convertible Preference Shares at the face value of Rs 100/- each amounting to Rs 5 Crores during the year 2014-15. The Preference Shares are redeemable in and do not carry any voting or management rights. Cumulative dividend of 12% p.a. on the face value of the preference share is due and payable every half year. Preference shares have been fully redeemed and paid on 11th March 2016 and 24th March 2016 .

(vi) Employees Stock Option Scheme (ESOP):

On 8 August, 2011, the company established an Employees stock option scheme. Under the scheme, the company is authorized to issue up to 2,04,500 equity shares of Rs.10 each to eligible employees. Employees covered by the plan are granted an option to purchase shares of the company subject to the requirements of vesting.

Particulars	Grant	
Date of grant	08-Aug-11	01-Nov-13
Exercise price per option (Rs)	11.17	11.17
Total options granted and outstanding as at PY	-	10,000
Add: Options granted during the year	-	-
Less: Options forfeited / lapsed during the year	-	-
Options exercised as at CY	-	10,000
Options outstanding as at CY	-	-
- Vested	-	-
- Yet to vest	-	-

Vesting period:

In the case of the options granted to the Managing Director, 50% of the options vest on completion of one year and the balance on completion of two years from the date of the grant. In the case of other employees, the options vest in the following proportion over a three year period in such a manner that 16.67% vests on completion of one year from date of grant, 41.66% each over the completion of years two and three.

Exercise period: Within five years from the date of vesting

Method of settlement: Equity settled. Cash settlement is at the option of the Board

The fair value of the share has been estimated on the date of the initial grant by an external firm of

Notes forming part of the financial statements

consultants based on the audited financial statements for the year ended 31 March 2011. The valuation was done based upon the weighted average of the per share value arrived at through the Net Asset Value (NAV) approach and Profit Earning Capacity Method (PECV). The exercise price was fixed at about a 50% discount to the fair value. The fair value of options, based on the valuation of the independent valuer as on the date of initial grant i.e. 8 August 2011 is Rs.22.34 per share.

In accordance with the Guidance Note issued by the Institute of Chartered Accountants of India, the difference between the fair value of Rs.22.34 and the exercise price per share of Rs.11.17 on options granted will be charged to Profit and Loss account over the vesting period of the options as employee compensation cost and will be carried forward as Share options outstanding account and disclosed separately in the Balance Sheet. Accordingly an amount of Rs.32,579 [Previous year: Rs.435,903] has been debited to employee compensation cost and credited to share option outstanding account. All the options granted and vested have been exercised during the year and the shares have been transferred to Manappuram Finance Limited as part of the Share Purchase Agreement dated 12 February 2015. The remaining options have also been exercised during the current year and the shares have been allotted to the eligible employees. There are no grants pending vesting / exercise as at 31st March 2016.

Note 4 Reserves and surplus		
	As at 31 March, 2016 Rs.	As at 31 March, 2015 Rs.
(a) Securities premium account		
Opening balance	679,733,382	123,814,444
Add : Premium on shares issued	910,346,122	555,918,938
Less : Utilised during the year	-	-
Closing balance	1,590,079,504	679,733,382
(b) Statutory Reserve (Refer Note 4(i))		
Opening balance	51,415,971	30,618,527
Add: Additions during the year	47,916,977	20,797,444
Less: Utilised / transferred during the year	-	-
Closing balance	99,332,948	51,415,971
(c) Share options outstanding account		
Opening balance	79,121	1,028,238
Add: Amounts recorded on grants during the year (Refer Note 3 (vi))	32,579	435,963
Transferred to Securities premium account on exercise	(111,700)	(1,385,080)
Closing balance	-	79,121
(d) Capital Redemption Reserve		
Opening balance	-	-
Add: Additions during the year	50,000,000	-
Less: Utilised / transferred during the year	-	-
Closing balance	50,000,000	-
(e) General reserve	3,592,758	3,592,758
(f) Surplus in Statement of Profit and Loss		
Opening balance	160,398,600	81,375,587
Add: Profit for the year	239,584,886	103,987,222
Less: Transfer to Statutory Reserve (Refer Note 4 (i))	(47,916,977)	(20,797,444)
Less: Transfer to Capital Redemption Reserve (Refer	(50,000,000)	-
Less: Dividends paid to Preference Share Holders	(5,562,742)	(3,461,918)
Less: Tax on Dividend	(1,770,325)	(704,847)
Closing balance	294,733,442	160,398,600
Total (a+b+c+d+e+f)	2,037,738,652	895,219,832

(i) Represents the Reserve Fund created under Section 45-IC of the Reserve bank of India Act , 1934

Notes forming part of the financial statements

Note 5 Borrowings - secured

Particulars	As at 31 March, 2016 Rs.	As at 31 March, 2015 Rs.
Term Loans-From Banks	3,397,699,645	1,221,730,843
Less : Current Maturities of Term Loans	1,705,649,728	726,258,042
Net	<u>1,692,049,917</u>	<u>495,472,801</u>
Term Loans-From Others	2,676,002,329	718,056,404
Less : Current Maturities of Other Term Loans	1,327,651,323	479,065,565
Net	<u>1,348,351,006</u>	<u>238,990,839</u>
Debentures (Refer Note below)	1,599,583,245	459,583,445
Less : Current Maturities of Debentures	466,249,745	279,166,960
Net	<u>1,133,333,500</u>	<u>180,416,485</u>
Finance lease obligations (Refer Note 35)	979,877	2,342,945
Less : Current Maturities of Finance Lease Obligations	979,877	1,363,314
Net	-	<u>979,631</u>
Total	<u>4,173,734,423</u>	<u>915,859,756</u>

(i) Security on Term loans

All loans are secured by hypothecation of the Book Debts receivable under Micro Finance Loans. Further, the Company has provided a specific lien on deposits with Banks(Refer (a) below) and also have deposits with other NBFCs for Term Loans (Refer (b) below).

Particulars	As at 31 March, 2016 Rs.	As at 31 March, 2015 Rs.
a) Deposits with Banks towards lien	347,234,909	190,109,366
b) Deposits with Other NBFC for Term Loans	18,625,000	78,831,884

(ii) Details of Terms of Repayment- Secured Loans

a) Current year Particulars	As at 31 March, 2016	Maturity (Rs.)	
		Number of Instalments	< 1 Year > 1 Year
Base Rate	12,816,613	36	11,262,540 1,554,073
Base Rate+Spread	3,727,653,636	1 to 36	1,758,827,762 1,968,825,874
Fixed	2,333,231,725	1 to 21	1,263,210,749 1,070,020,976
	6,073,701,974		3,033,301,051 3,040,400,923

b) Previous year Particulars	As at 31 March, 2016	Maturity (Rs.)	
		Number of Instalments	< 1 Year > 1 Year
Base Rate	22,126,492	36	9,048,378 13,078,114
Base Rate+Spread	1,059,408,716	1 to 36	657,209,633 402,199,083
Fixed	858,252,039	1 to 21	539,065,596 319,186,443
	1,939,787,247		1,205,323,607 734,463,640

Notes forming part of the financial statements

(iii) Details of Terms of Repayment- Securitization Loans

a) Current year Particulars	Maturity (Rs.)			
	As at 31 March, 2016	Number of Instalments	< 1 Year	> 1 Year
Fixed	1,377,645,902	1 to 21	1,244,861,231	132,784,671
	1,377,645,902		1,244,861,231	132,784,671

b) Previous year Particulars	Maturity (Rs.)			
	As at 31 March, 2016	Number of Instalments	< 1 Year	> 1 Year
Fixed	577,196,816	1 to 21	40,674,573	536,522,243
	577,196,816		40,674,573	536,522,243

(iv) Details of Debentures - Secured, Redeemable Non-convertible Debentures - Redeemable at par

The Company has allotted 41,300 (previous year 650) Redeemable Non-convertible Debentures (NCDs) during the year. The NCDs are secured by charge on specific loans and receivables of the Company.

No. of Debentures	Face Value	Int Rate	Due date of redemption	No. of Instalments	Balance as at 31 March, 2016	Balance as at 31 March, 2015
120	5,00,000	14.00%	April-16	1	25,00,080	3,25,00,080
65	10,00,000	13.75%	July-16	4	1,08,33,355	4,33,33,355
75	10,00,000	13.25%	September-16	6	1,87,50,000	5,62,50,000
100	10,00,000	12.55%	January-17	10	3,33,33,000	7,33,33,200
140	10,00,000	13.50%	December-16	9	4,66,66,760	11,66,66,760
150	10,00,000	13.25%	January-17	11	6,25,00,050	13,75,00,050
100	10,00,000	14.50%	Dec-20	1	10,00,00,000	-
40,000	5,000	12.50%	Jan-17	10	12,50,00,000	-
500	10,00,000	13.52%	Aug-18	3	50,00,00,000	-
700	10,00,000	12.53%	Mar-21	1	70,00,00,000	-
		Total			1,59,95,83,245	45,95,83,445

Maturity profile:

Particulars	As at 31 March, 2016	As at 31 March, 2015
Amount repayable within 12 months	46,62,49,745	27,91,66,960
Amounts repayable after 12 months	1,13,33,33,500	18,04,16,485
Total	1,59,95,83,245	45,95,83,445

(v) Details of Finance Lease Obligation

Finance Lease Obligation - From banks - Fixed interest	Number of Instalments	As at 31 March, 2016	As at 31 March, 2015
Current portion	6	9,79,877	13,63,314
Non-current portion		-	9,79,631
Total		9,79,877	23,42,945

Notes forming part of the financial statements

Note 6 Other long-term liabilities		
Particulars	As at 31 March, 2016 Rs.	As at 31 March, 2015 Rs.
Grants (Refer Note 33)	-	36,783
	<u>-</u>	<u>36,783</u>

Note 7 Trade payables		
Particulars	As at 31 March, 2016 Rs.	As at 31 March, 2015 Rs.
Total outstanding dues of micro enterprises and small enterprises (Refer Note 37)	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises:		
- Creditors other than acceptances	27,998,302	14,590,465
- Bonus	8,900,000	2,016,082
	<u>36,898,302</u>	<u>16,606,547</u>
Details of dues to micro, small & medium enterprises as per MSMED Act, 2006.		

Particulars	As at 31 March, 2016 Rs.	As at 31 March, 2015 Rs.
Principal amount payable (but not due) to suppliers under the MSMED Act as at year end	-	-
Interest accrued and due to suppliers under the MSMED Act on the aobe amount as at year end	-	-
Payment made to suppliers (other than interest) beyond the appointed day, during the year	-	-
Interest paid to suppliers under the MSMED Act (other than Section 16)	-	-
Interest paid to suppliers under the MSMED Act (Section 16)	-	-
Interest due and payable to suppliers under the MSMED Act for payments already made	-	-
Interest accrued and remaining unpaid to suppliers under the MSMED Act as at year end	-	-

Notes forming part of the financial statements

Note 8 Other current liabilities

Particulars	As at 31 March, 2016 Rs.	As at 31 March, 2015 Rs.
Current maturities of long term debt (Refer Note 5 (i) & (ii))		
-From Banks	1,705,649,728	726,258,042
-From others	1,327,651,323	479,065,565
-From Debentures	466,249,745	279,166,960
Current maturities of finance lease obligation (Refer Note 35)	979,877	1,363,314
Interest accrued but not due on borrowings	109,013,300	14,862,583
Interest accrued and due on borrowings	-	3,188,741
Income received in advance (Unearned revenue)	71,507,237	56,420,479
Other payables		
- Statutory remittances (Contributions to PF and ESIC and Withholding Taxes)	5,506,319	1,503,791
- Advances from customers	397,663	8,572
- Advance from MAS Financial Services Limited (refer Note 39)	23,826,276	38,863,797
- Others	113,310,941	13,930,835
	<u>3,824,092,409</u>	<u>1,614,632,679</u>

Note 9 Provisions

Particulars	As at 31 March, 2016 Rs.	As at 31 March, 2015 Rs.
Provision for compensated absences	4,981,828	1,585,637
Provision for proposed Preference share dividend	-	3,461,918
Provision for Distribution tax on proposed Preference share dividend	-	704,847
Provision for Standard Assets	86,008,239	26,394,262
Provision for Sub-standard Assets	2,522,192	248,924
Provision for Credit Enhancement	13,778,825	5,771,968
Provision for Taxation (Net of advance tax and Tax Deducted at Source -Rs 210,533,740) (P.Y. Net of Advance tax and Tax Deducted at Source - Rs.Nil))	<u>3,628,095</u>	-
	<u>110,919,179</u>	<u>38,167,556</u>
(i) Long term provisions		
Particulars	As at 31 March, 2016 Rs.	As at 31 March, 2015 Rs.
Provision for compensated absences	4,244,862	-
Provision for Standard assets	20,164,626	6,958,250
Provision for Sub-standard assets	2,522,192	248,924
Provision for Credit Enhancement	-	260,807
	<u>26,931,680</u>	<u>7,467,981</u>
(ii) Short term provisions		
Particulars	As at 31 March, 2016 Rs.	As at 31 March, 2015 Rs.
Provision for compensated absences	736,966	1,585,637
Provision for proposed Preference share dividend		3,461,918
Provision for Distribution tax on proposed Preference share dividend		704,847
Provision for Standard assets	65,843,613	19,436,012
Provision for Credit Enhancement	13,778,825	
Provision for Taxation (Net of advance tax and Tax Deducted at Source -Rs 210,533,740) (P.Y. Net of Advance tax and Tax Deducted at Source - Rs.Nil))	<u>3,628,095</u>	<u>5,511,161</u>
	<u>83,987,499</u>	<u>30,699,575</u>
Total (i+ii)	<u>110,919,179</u>	<u>38,167,556</u>

Notes forming part of the financial statements

Schedule 10

Fixed Assets - 2015 - 16

Amount in R

Sl.No.	Description	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK	
		AS AT 01.04.2015	ADDITIONS	DELETIONS	AS AT 31.03.2016	AS AT 01.04.2015	FOR THE YEAR	Withdrawn For the Year	UPTO 31.03.2016	AS AT 31.03.2016	AS AT 31.03.2015
	Intangible Assets										
1	Software	3,932,309	-	-	3,932,309	3,931,769	540	-	3,932,309	-	540
	Total (A)	3,932,309	-	-	3,932,309	3,931,769	540	-	3,932,309	-	540
	Tangible Assets										
1	Computers	4,617,402	13,557,879	-	18,175,281	4,095,663	7,257,806	-	11,353,469	6,821,812	521,739
2	Furnitures & Fixtures	4,910,095	6,092,719	-	11,002,814	3,639,488	2,604,933	-	6,244,421	4,758,393	1,270,607
3	Office Equipments	4,835,294	5,958,577	13,000	10,780,871	3,940,359	2,981,254	8,514	6,913,099	3,867,772	894,935
4	Air Conditioners	327,094	33,630	-	360,724	296,012	43,912	-	339,924	20,800	31,082
5	Vehicles										
	Owned	5,317,060	17,396,087	807,218	21,905,929	1,635,693	4,515,964	801,040	5,350,617	16,555,312	3,681,367
	Taken under finance lease	3,982,847	90,296	-	4,073,143	1,120,025	2,122,475	-	3,242,500	830,643	2,862,822
6	Electrical Equipments	757,474	260,979	-	1,018,453	441,353	254,932	-	696,285	322,168	316,121
	Total (B)	24,747,266	43,390,167	820,218	67,317,215	15,168,593	19,781,276	809,554	34,140,315	33,176,900	9,578,673
	Total (A+B)	28,679,575	43,390,167	820,218	71,249,524	19,100,362	19,781,816	809,554	38,072,624	33,176,900	9,579,213

Notes forming part of the financial statements

Schedule 10

Fixed Assets - 2014 - 15

Amount in R

Sl.No.	Description	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK	
		AS AT 01.04.2014	ADDITIONS	DELETIONS	AS AT 31.03.2015	AS AT 01.04.2014	FOR THE YEAR	Withdrawn For the Year	UP TO 31.03.2015	AS AT 31.03.2015	AS AT 31.03.2014
	Intangible Assets										
1	Software	3,932,309	-	-	3,932,309	3,564,307	367,462	-	3,931,769	540	368,002
	Total (A)	3,932,309	-	-	3,932,309	3,564,307	367,462	-	3,931,769	540	368,002
	Tangible Assets										
1	Computers	3,922,679	694,723	-	4,617,402	3,391,591	704,072	-	4,095,663	521,739	531,088
2	Furnitures & Fixtures	3,642,163	1,267,932	-	4,910,095	2,792,463	847,025	-	3,639,488	1,270,607	849,700
3	Office Equipments	3,681,461	1,161,864	8,031	4,835,294	2,475,885	1,465,646	1,172	3,940,359	894,935	1,205,576
4	Air Conditioners	327,094	-	-	327,094	163,100	132,912	-	296,012	31,082	163,994
5	Vehicles Owned	3,980,877	3,700,139	2,363,956	5,317,060	2,316,339	1,270,877	1,951,523	1,635,693	3,681,367	1,664,538
	Taken under finance lease	-	3,982,847	-	3,982,847	-	1,120,025	-	1,120,025	2,862,822	-
6	Electrical Equipments	491,784	265,690	-	757,474	159,931	281,422	-	441,353	316,121	331,853
	Total (B)	16,046,058	11,073,195	2,371,987	24,747,266	11,299,309	5,821,979	1,952,695	15,168,593	9,578,673	4,746,749
	Total (A+B)	19,978,367	11,073,195	2,371,987	28,679,575	14,863,616	6,189,441	1,952,695	19,100,362	9,579,213	5,114,751

Notes forming part of the financial statements

Note 11 Non-current investments		
Particulars	As at31 March, 2016 Rs.	As at31 March, 2015 Rs.
Non Trade Investments - Unquoted		
50,000 (P.Y - 50,000) Equity Shares of Alpha Micro Finance Consultants Private Limited of Rs 10/- each	500,000	500,000
	<u>500,000</u>	<u>500,000</u>
Aggregate amount of unquoted investments	500,000	500,000

Note 12 Deferred tax assets (Net)		
Particulars	As at31 March, 2016 Rs.	As at31 March, 2015 Rs.
Deferred tax asset		
Provision for Standard Assets	29,737,085	8,971,410
Provision for Sub-Standard and Doubtful Assets	855,830	84,609
Provision for Credit Enhancements on Assets De-recognized	4,768,576	1,961,892
Employee Benefits	1,724,111	538,958
Depreciation	5,487,391	2,048,002
Net Deferred Tax Asset	<u>42,572,993</u>	<u>13,604,871</u>

Note 13 Long-term loans and advances - Unsecured, considered good		
Particulars	As at31 March, 2016 Rs.	As at31 March, 2015 Rs.
Capex Advances	6,144,139	-
Advance income tax (P.Y: Net of Provision for tax- Rs 63,971,015)	-	8,734,341
Total	<u>6,144,139</u>	<u>8,734,341</u>

Note 14 Other non-current assets		
Particulars	As at31 March, 2016 Rs.	As at31 March, 2015 Rs.
Prepaid finance charges	20,672,746	3,995,267
Interest accrued on Deposits with Banks / Others	11,406,606	1,063,271
Bank Deposits as collateral towards loans and assets derecognised (Refer Note 17)	273,768,695	99,470,386
Deposits with other NBFCs as collateral towards loans and assets derecognised	4,583,333	31,250,000
Deposits as collateral with business partner towards loans sourced on their behalf (Refer Note 39)	-	17,561,250
Total	<u>310,431,380</u>	<u>153,340,174</u>

Notes forming part of the financial statements

Note 15 Current investments (At lower of cost and fair value, unless otherwise stated)

Particulars	As at 31 March, 2016 Rs.	As at 31 March, 2015 Rs.
Investment in mutual funds		
9,940,852 units of Rs.1001.85 each (P.Y Nil) of Franklin Templeton Ultra Short Daily Dividend Plan	100,000,000	-
49,996 units of Rs.1,000.51 each (P.Y Nil) of Reliance Liquidity Fund Daily Dividend Plan	50,029,820	-
9,903,874 units of Rs.10.025 each (P.Y Nil) of Sundaram Money Fund	100,053,888	-
	<u>250,083,708</u>	<u>-</u>
Aggregate amount of unquoted investments	250,083,708	

Note 16 Receivables under financing activity

Particulars	As at 31 March, 2016 Rs.	As at 31 March, 2015 Rs.
Unsecured		
Microfinance loans	8,598,821,720	2,642,779,112
Business loans	11,708,279	-
	<u>8,610,529,999</u>	<u>2,642,779,112</u>
Of the above		
- Considered good	8,607,793,795	2,642,545,531
- Considered doubtful	2,736,204	233,581

(i) Receivables under financing activity - current

Particulars	As at 31 March, 2016 Rs.	As at 31 March, 2015 Rs.
Microfinance loans	6,591,312,242	1,945,940,927
Business loans	2,755,198	-
	<u>6,594,067,440</u>	<u>1,945,940,927</u>

(ii) Receivables under financing activity - non-current

Particulars	As at 31 March, 2016 Rs.	As at 31 March, 2015 Rs.
Microfinance loans	2,007,509,478	696,838,185
Business loans	8,953,081	-
	<u>2,016,462,559</u>	<u>696,838,185</u>

(iii) Managed Micro finance loans (Refer Note 5(iii)(a) & 5(iii)(b))

	1,377,645,902	577,196,816
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(iv) Securitization of assets

Particulars	For the Year ended 31st March 2016	For the Year ended 31st March 2015
Total number of loan assets securitized during the year	145,330	64,797
Book value of loan assets securitized during the year	1,786,400,609	738,226,645
Sale consideration received during the year	-	789,580,741
MFI Loans Subordinated as Credit Enhancement on Assets Derecognised	500,390,506	-
Gain / (loss) on the securitization transaction recognised in P&L	30,278,841	20,920,097
Gain / (loss) on the securitization transactions deferred	1,069,431	31,348,279
Quantum of Credit Enhancement provided on the transactions in the form of deposits	51,269,696	52,338,545
Quantum of Credit Enhancement as at year end	81,556,226	76,584,960
Interest spread Recognised in the Statement of Profit and Loss during the Year (including amortization of Unamortised Income)	90,221,041	53,437,241

Notes forming part of the financial statements

(v) Loan portfolio and provision for Standard and Non-performing assets

a) Current year

Asset classification	Loan outstanding as at 31 March 2016 (Gross)	Provision for assets - as at 31 March 2016 (Net)	Loan outstanding as at 31 March 2016 (Net)
Standard assets	8,600,823,906	86,008,239	8,514,815,667
Sub-standard assets	6,969,889	1,154,091	5,815,798
Doubtful assets	2,736,204	1,368,102	1,368,102
Loss assets	-	-	-
Total	8,610,529,999	88,530,432	8,521,999,567

b) Previous year

Asset classification	Loan outstanding as at 31 March 2015 (Gross)	Provision for assets - as at 31 March 2015 (Net)	Loan outstanding as at 31 March 2015 (Net)
Standard assets	2,641,765,945	26,394,262	2,615,371,683
Sub-standard assets	779,586	132,133	647,453
Doubtful assets	233,581	116,791	116,790
Loss assets	-	-	-
Total	2,642,779,112	26,643,186	2,616,135,926

(vi) Changes in provisions

a) Current year

Particulars	As at 1 Apr 2015	Additional provision	Utilization / Reversal	As at 31 March 2016
Provision for standard assets under financing activity	26,394,262	59,613,977	-	86,008,239
Provision for sub-standard and doubtful assets under financing activity	248,924	2,273,269	-	2,522,193
Provision for Credit enhancements on assets de-recognized	5,771,968	8,006,857	-	13,778,825
Total	32,415,154	69,894,103	-	102,309,257

b) Previous year

Particulars	As at 1 Apr 2014	Additional provision	Utilization / Reversal	As at 31 March 2015
Provision for standard assets under financing activity	12,358,523	14,035,739	-	26,394,262
Provision for sub-standard and doubtful assets under financing activity	-	248,924	-	248,924
Provision for Credit enhancements on assets de-recognized	6,521,059	-	(749,091)	5,771,968
Total	18,879,582	14,284,663	(749,091)	32,415,154

Notes forming part of the financial statements

Disclosure to be made under Securitization guidelines issued by Reserve Bank of India vide policy no. DNBS. PD. No. 301/3.10.01/2012-13 dated August 21, 2012

S.No	Particulars	As at 31 March 2016 (Amount in Rs)	As at 31 March 2015 (Amount in Rs)
1	No of SPVs sponsored by the NBFC for Securitization transactions	6	15
2	Total amount of securitized assets as per the books of the SPVs sponsored	1,37,76,45,902	57,71,96,816
3	Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet		
	a) Off Balance Sheet exposures		
	- First loss		
	- Others		
	b) On Balance Sheet exposures		
	- First loss	8,15,56,226	7,65,84,960
	- Others		
4	Amount of exposures to securitisation transactions other than MRR		
	a) Off Balance Sheet exposures		
	i. Exposure to own Securitizations		
	- First loss		
	- Others		
	ii. Exposure to third party Securitizations		
	- First loss		
	- Others		
	b) On Balance Sheet exposures		
	i. Exposure to own Securitizations		
	- First loss		
	- Others		
	ii. Exposure to third party Securitizations		
	- First loss		
	- Others		

Notes forming part of the financial statements

Note 17 Cash and cash equivalents

Particulars	As at 31 March, 2016 Rs.	As at 31 March, 2015 Rs.
Cash on hand	25,986	223,448
Balances with banks		
- In current accounts	810,406,496	515,061,592
- In deposit accounts - Under Lien (Refer Note (ii) below)	428,789,865	266,694,326
Less: Amount disclosed under Other non-current assets (Refer Note 14)	<u>(273,768,695)</u>	<u>(99,470,386)</u>
	<u>155,021,170</u>	<u>167,223,940</u>
	<u>965,453,652</u>	<u>682,508,980</u>

Notes:

(i) Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements is	810,432,482	515,285,040
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(ii) Deposit under lien represents

- Deposits amounting to Rs.347,234,909 (As at 31 March, 2015 Rs. 190,109,366) with respect to the Term Loans obtained by the Company from Banks, Financial institutions and Others.
- Deposits amounting to Rs. 81,556,226 (As at 31 March 2015 Rs. 76,584,960) placed as cash collateral with Assignees towards Assets De-recognised.
- Deposits amounting to Rs.10,665,122 (As at 31 March 2015 Rs. 38,208,750) placed as cash collateral with Mas Financial services Limited to disburse and manage thier Portfolio.

Note 18 Short-term loans and advances (Unsecured, considered good)

Particulars	As at 31 March, 2016 Rs.	As at 31 March, 2015 Rs.
Security deposits	19,049,020	6,770,000
Loans and advances to employees	1,503,088	1,717,566
Advances to Vendors	3,905,246	
Balances with government authorities		
- Service Tax credit receivable	699,523	-
	<u>25,156,877</u>	<u>8,487,566</u>

Note 19 Other current assets

Particulars	As at 31 March, 2016 Rs.	As at 31 March, 2015 Rs.
Interest accrued on Deposits with Banks / Others	17,587,837	24,271,333
Interest accrued but not due on Receivable from Financing Activities	93,830,365	30,033,225
Deposits as collateral with business partner towards loans sourced on their behalf (Refer Note 39)	10,665,122	20,647,500
Deposits with other NBFCs as collateral towards loans and assets derecognised	14,041,667	47,581,884
Commission receivable	3,180,471	11,496,070
Prepaid finance charges	37,803,783	29,042,133
Other receivables	24,990,432	5,476,561
	<u>202,099,677</u>	<u>168,548,706</u>

Notes forming part of the financial statements

Note 20 Revenue from operations		
Particulars	For the year ended 31 March, 2016 Rs.	For the year ended 31 March, 2015 Rs.
Income from financing activities		
Interest on loan		
Interest on loan- Microfinance loans *	1,261,244,383	467,092,754
Interest on loan- Business loans / SME Loans	163,564	14,912
	<u>1,261,407,947</u>	<u>467,107,666</u>
Other operating income		
Documentation fees- Microfinance loans	64,675,944	29,997,031
Documentation fees - Business loans	127,500	-
Interest income - on Deposits with banks and financial institutions	34,306,513	31,973,587
Interest Spread on Securitization	59,942,200	
Profit on securitisation	30,278,841	53,437,241
Registration fees	-	-
	<u>189,330,998</u>	<u>115,407,859</u>
	<u>1,450,738,945</u>	<u>582,515,525</u>

* Includes interest received on loans sourced by business partner Rs.10,255,847 (Previous year Rs.12,847,529) (Refer Note 38)

Note 21 Other income		
Particulars	For the year ended 31 March, 2016 Rs.	For the year ended 31 March, 2015 Rs.
(a) Income from mutual funds - dividend/ redemption	11,077,346	6,071,296
(b) Reversal of excess provision for Credit Enhancements on assets derecognised	-	749,091
(c) Other non-operating income		
- Profit on sale of fixed assets	318,123	599,740
- Marketing commission (Refer note 41)	87,268,630	37,615,510
- Other commission	-	30,704,237
- Grant (Refer Note 33)	36,783	42,809
- Commission (Refer note 39)	9,031,595	14,454,082
- Interest on Income Tax Refund	532,818	-
- Miscellaneous income	1,869,569	510,587
	<u>110,134,864</u>	<u>90,747,352</u>

Note 22 Finance costs		
Particulars	For the year ended 31 March, 2016 Rs.	For the year ended 31 March, 2015 Rs.
Interest expense on term loans:		
- from Banks	263,885,267	134,528,753
- from Others	231,149,582	114,954,743
Interest expense on Finance Lease	181,872	91,066
Interest expense on Debentures	110,983,177	31,707,957
- Share Application Money	-	307,398
Other borrowing costs		
- Loan processing fee	63,410,654	48,018,176
- Bank charges	2,425,719	1,513,388
Interest on Delayed Payment of Tax	2,952,565	1,186,096
	<u>674,988,836</u>	<u>332,307,577</u>

Notes forming part of the financial statements

Note 23 Employee benefits expenses

Particulars	For the year ended 31 March, 2016 Rs.	For the year ended 31 March, 2015 Rs.
Salaries and wages	239,629,149	103,483,475
Contributions to provident and other funds	16,585,086	6,778,250
Expense on employee stock option (ESOP) scheme	32,579	435,963
Staff welfare expenses	9,048,602	3,261,616
Total	265,295,416	113,959,304

Note 24 Provisions and other losses

(a) Provisions and other losses (other than those disclosed as Exceptional items):

Particulars	For the year ended 31 March, 2016 Rs.	For the year ended 31 March, 2015 Rs.
Provision for Standard assets	59,613,977	14,035,739
Provision for Sub-standard & Doubtful assets	2,273,269	248,924
Provision for Credit Enhancements on assets de-recognised	8,006,857	-
Loss Assets Written off	2,986,860	2,131,997
	72,880,963	16,416,660

(b) Provisions and other losses (disclosed as Exceptional items):

Particulars	For the year ended 31 March, 2016 Rs.	For the year ended 31 March, 2015 Rs.
Loss Assets Written off (Refer Note 28)	25,320,335	-
	25,320,335	-

Note 25 Other expenses

Particulars	For the year ended 31 March, 2016 Rs.	For the year ended 31 March, 2015 Rs.
Electricity charges	1,541,473	762,549
Water	629,286	275,601
Rent including lease rentals	22,373,722	8,722,915
Repairs and maintenance - Buildings	2,045,746	1,118,315
Repairs and maintenance - Machinery	798,860	164,538
Repairs and maintenance - Others	5,444,645	2,388,989
Insurance	3,230,174	1,906,462
Rates and taxes	1,485,138	906,930
Communication	3,763,837	1,524,509
Postage & Courier	1,857,757	329,461
Travelling and conveyance	41,984,477	12,412,390
Printing and stationery	16,858,590	5,235,086
Directors' Sitting Fees	670,130	267,766
Business promotion	326,642	236,141
Donations and contributions (Refer Note 38)	2,000,000	2,114,126
Legal and professional	11,614,823	3,452,722
Software Expenses	13,132,002	-
Subscription Charges	3,556,404	1,497,848
Commission (Refer Note No 40)	342,020	2,778,471
Customer Welfare Activities	1,977,800	-
Payments to auditors	-	-
- Statutory Audit	1,200,000	900,000
- Tax Audit	100,000	100,000
- Other services including limited review and certificates	500,000	450,000
- Out of Pocket Expenses and statutory levies	35,113	192,572
Miscellaneous expenses	2,429,769	526,921
	139,898,408	48,264,312

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

a. Corporate Information:

Asirvad Micro Finance Private Limited was incorporated in August 2007 under the provisions of the Companies Act, 1956. The Company is a Non-Banking Finance Company - Micro Finance Institution (NBFC-MFI). The Company is registered as a Micro Finance Institution under the Non-Banking Financial Company - Micro Finance Institution (Reserve Bank) Directions, 2011 vide RBI letter dated 4 October 2013.

The Company is engaged in extending micro credit advances to poor women, who are otherwise unable to access finance from the main stream banking channels. The Company provides small value collateral free loans up to Rs. 35,000 for a tenor of 12 months/ 18 months/ 24 months with fortnightly/ monthly repayments. The Company follows the Grameen model with suitable adoptions using the joint liability framework, where each member of the group guarantees the loan repayment of the other members of the group. The Company also provides collateral free product loans to the existing borrowers of upto Rs.3,000.

During the year the Company has also commenced the activity of loans to Small and Medium Enterprises ranging between Rs.0.75 lakh to Rs.25 lacs.

The Company also uses its branch infrastructure to market products / services to the members of the Joint Liability groups on behalf of other agencies for an agreed fee/ commission.

Note 2 - Basis of accounting and preparation of financial statements

The financial statements of the Company 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, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year

The Company follows the prudential norms for income recognition, asset classification and provisioning as prescribed by the Reserve Bank of India for Systemically Important Non-deposit taking Non-Banking Finance Companies (NBFC-ND-SI) or more stringent norms as indicated in Note 2(n) below.

a. Use of estimates

The preparation of the financial statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period such as provisioning for employee benefits, provisioning for receivables, provisioning for credit enhancement for assets de-recognized, useful lives of fixed assets, provisioning for taxation etc. Management believes that the estimates used in the 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.

b. Fixed assets and depreciation

Tangible assets:

Fixed assets are stated at cost less accumulated depreciation / amortization and impairment

losses, where applicable. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use

Depreciation on fixed assets is provided on the written down value method basis, pro-rata to the period of use of the assets based on the useful life of assets prescribed under Schedule 2 of the Companies Act, 2013.

Intangible assets:

Software is acquired primarily from third-party vendors and is in ready-to-use condition. Costs for acquiring such software are capitalized. The capitalized software is amortized based on the useful life prescribed under Schedule 2 of Companies Act, 2013.

c. Impairment

The carrying values of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognized for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognized in the Statement of Profit and Loss, except in case of revalued assets.

d. Investments

Investments which are long term in nature are stated at cost less provision where necessary for diminution, other than temporary, in the value of investments.

Current investments are carried individually, at the lower of cost and fair value.

e. Receivables under financing activity

All loan exposures to borrowers with installment structure are stated at the full agreement value after netting off

- i. Unearned income
- ii. Installments appropriated up to the year-end

f. Revenue recognition

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

- i. Interest income on loans given (including loans sourced by business partners on behalf of the Company) is recognized under the internal rate of return method. Income on Non-performing Assets is recognized only when realized and any interest accrued on such assets is de-recognized by reversing the unrealized interest income already recognized.
- ii. Loan processing fee is recognized over the life of the loan on a straight line basis.
- iii. In respect of the receivables securitized / assigned, losses arising are recognized in the Statement of Profit and Loss immediately upon receipt of sale consideration. Gains arising from the transaction are amortized over the tenor of the transaction. Reversal of gains proportionate to the amount prepaid by the borrowers is also provided for during the year of prepayment.
- iv. Commission income on marketing of products is recognised accrual basis when the service is rendered taking into account the number of units sold at the rates applicable according to the terms of the agreement.

- v. Commission income on the other services is recognised on accrual basis when the service is rendered at the rates applicable in accordance with the terms of the agreement.
- vi. Fee income on loans sourced on behalf of other business partners is recognized on accrual basis according to the terms of the agreement.
- vii. Interest income on deposits is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
- viii. All other income is recognized on an accrual basis, when there is no uncertainty in the ultimate realization / collection.

g. Borrowing costs

Borrowing costs include interest and ancillary costs that the Company incurs in connection with the borrowings. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss at the time of availment of the Loan.

Prepaid finance charges represents ancillary costs incurred in connection with the arrangement of borrowings; including borrowings sanctioned but not availed, and is amortized on a straight line basis, over the tenure of the underlying receivables built out of such borrowings. Unamortized borrowing costs remaining, if any, are fully expensed off as and when the related borrowing is prepaid / cancelled.

h. Employee benefits

Employee benefits include provident fund, employee state insurance scheme, gratuity fund, and compensated absences.

i) Defined contribution plan

Provident Fund and Employees State Insurance: The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

ii) Defined benefit plan

Gratuity: For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. The liability for Gratuity is funded with the Life Insurance Corporation of India and the contribution thereof paid / payable is absorbed in the accounts.

iii) Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

iv) Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date less the fair value of the plan assets out of which the obligations are expected to be settled.

i. Deferred employee stock compensation cost

Deferred employee stock compensation cost for stock options is recognized on the basis of generally accepted accounting principles and is measured as the difference between the estimated intrinsic value of the company's shares on the date of grant of the stock options and the exercise price to be paid by the option holders. The compensation expense, if any, is amortized uniformly over the vesting period of the options.

j. Service tax input credit

Service tax input credit is accounted for in the books in the period when the underlying service received is accounted and when there is reasonable certainty in availing / utilizing the same.

The Finance Act, 2011 had brought in amendments to CENVAT Credit Rules, 2004, whereby only 50% of the CENVAT credit availed will be available for utilization towards payment of service tax under 'Banking and other financial services' by a banking company and financial institution.

k. Insurance claims

Insurance claims are accrued for on the basis of claims admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

l. Taxes on income

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

Deferred tax is recognized on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognized for all timing differences. Deferred tax assets are recognized for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realized. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

m. Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

n. Classification & provisions of loan portfolio

Loans are classified and provided for as per the Company's Policy and Management's estimates, subject to the minimum classification and provisioning norms required as per the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007, duly taking into account the requirements of Non-Banking Financial Company - Micro Finance Institutions (Reserve Bank) Directions, 2011.

i. Classification of Loans

Asset Classification	Period of Overdue
Standard Assets	Not Overdue and Overdue for less than 30 days
Non Performing Assets (NPA)	
Sub-Standard Assets	Overdue for 30 days and more but less than 90 days
Doubtful Assets	Overdue for 90 days and more
Loss Assets	Assets which are identified as loss asset by the Company or the internal auditor or the external auditor or by the Reserve Bank of India

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

ii. Provisioning Norms for Loans

Asset Classification	Provisioning Percentage used by the Company for FY 2015-16	Provisioning Percentage used by the Company for FY 2014-15
Standard Assets	1.00%	1.00%
Non Performing Assets (NPA)		
Sub-Standard Assets		
a. Overdue for more than 30 days and more but less than 60 days	10.00%	10.00%
b. Overdue for more than 60 days and more but less than 90 days	25.00%	25.00%
Doubtful Assets		
a. Overdue for more than 90 days and more but less than 120 days	50.00%	50.00%
Loss Assets (Overdue for more than 120 days)[Refer note below]	Fully charged off to P&L	Fully charged off to P&L

Note: a) Income on NPAs is recognized only when realized.

b) Accounting Standard 4 as applicable to MFIs allows charge off of assets only when the MFI's contractual right to receive cashflows from that loan expires. The Loss assets which are overdue for more than 120 days satisfy this criterion and hence they are charged off fully to P&L

o. Accounting for grants

Grants relating to depreciable fixed assets are treated as deferred income over the useful life of the asset in proportion to which depreciation on the related assets is charged.

p. Leases

Leases are classified as finance or operating leases depending upon the terms of the lease agreements:

i. Finance leases

Finance leases, which effectively transfer substantially all the risks and benefits incidental to the ownership of the leased item, are capitalized at the lower of the fair value or present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and the reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income.

ii. Operating leases

Lease of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under operating leases are recognized as an expense on a straight-line basis over the lease term.

q. Provision for credit enhancements on assets derecognized

Provision for credit enhancements on assets derecognized is made based on Management estimates @ 1% of the outstanding amount of assets de-recognized from the books of the company as at the Balance Sheet Date.

r. Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

s. Cash flow statement

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

t. Earnings per share

Basic earnings per share is computed by dividing the profit after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market

value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

Note 26 Increase in authorised equity share capital

In the Extra-Ordinary General Meeting held on 29th October, 2015, the shareholders of the Company increased the authorised equity share capital of the Company from 20,000,000 equity shares of Rs. 10 each amounting to Rs. 200,000,000 to 30,000,000 equity shares of Rs. 10 each to Rs. 300,000,000.

Note 27 Equity share issue on Rights Basis

In the meeting held on 4th March 2016, the Board of Directors of the company issued and allotted 10,351,966 equity shares of Rs.10 each fully paid up at a premium of Rs. 86.60 per share aggregating to Rs. 999,999,915/- on rights basis to Manappuram Finance Limited and as approved by the members in the Extra-Ordinary General Meeting held on 4th March 2016. The Premium collected on above issue of equity shares amounting to Rs. 896,480,255/- has been credited to Securities Premium Account.

In the meeting held on 17th March 2016, the Board of Directors of the company issued and allotted 158,689 equity shares of Rs.10 each fully paid up at a premium of Rs. 86.60 per share aggregating to Rs.15,329,357/- to the Directors of the Company out of the unsubscribed portion of the issue of equity shares on rights basis. The Premium collected on above issue of equity shares amounting to Rs. 13,742,467/- has been credited to Securities Premium Account.

Note 28 Exceptional item:

Exceptional item represents loss assets written off with respect to debts considered bad in one of the divisions. These debts were not repaid by the borrowers due to an incidence of embezzlement of cash collections by the employees in some of the branches of the above division.

Note 29 Contingent liabilities

Contingent liability: On account of Corporate Guarantees provided by the Company

Particulars	Current Year (In Rs)	Previous Year (in Rs)
On account of managed portfolio	23,582,716	160,447,162

Accounting Standard Disclosures

Note 30 Employee benefit plans

a. Defined contribution plans

The Company makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs.12,230,787 (Year ended 31 March, 2015 Rs. 4,439,283) for Provident Fund contributions and Rs.5,669,842 (Year ended 31 March, 2015 Rs. 1,893,735) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

b. Defined benefit plans - Gratuity

The Company has a funded gratuity scheme with LIC for its employees as at 31 March 2016. The premium payable to LIC is accounted for in the Statement of Profit and Loss and the details for the current financial year are given as under:

Particulars	31 March 2016	31 March 2015
Projected Benefit obligation at the beginning of the year	4,876,844	1,725,327
Service cost	4,546,853	1,117,239
Interest cost	361,230	138,026
Actuarial (Gains) / Losses	(1,712,890)	1,896,252
Benefits paid	(722,948)	-
Projected benefit obligation at the end of the year	7,349,089	4,876,844

Particulars	31 March 2016	31 March 2015
Change in plan assets		
Fair Value of plan assets at the beginning of the year	4,805,318	2,307,511
Expected returns on plan assets at the beginning of the year	573,806	199,283
Employer's contribution	4,227,881	(59,974)
Benefits paid	(722,948)	-
Actuarial Gains / (Losses)	(169,639)	23,58,498
Fair Value of Plan Assets at the end of the year	8,714,418	4,805,318

Amounts recognised in the Balance Sheet		
Present value of obligation	7,349,089	4,876,844
Fair value of plan assets at the year end	8,714,418	4,805,318
(Asset)\Liability recognised in the Balance Sheet *	(1,365,329)	71,526

* On a conservative basis, the excess of plan assets over plan liabilities is not considered in these financial statements

Cost of the Defined Benefit Plan for the year		
Current service cost	4,546,583	1,117,239
Interest on obligation	361,230	138,026
Expected return on plan assets	(573,806)	(199,283)
Net actuarial (Gains) / Losses recognized in the year	(1,543,251)	(462,246)
Net cost recognized in the Statement of Profit & Loss	2,790,756	593,736

Assumptions		
Discount rate	7.75%	8.00%
Future salary Increase	10%	10%
Mortality rate	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate
Attrition rate	16%	16%
Expected rate of return on Plan assets	8.75%	NA

Notes:

1. The estimate of future salary increase takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.
2. Discount rate is the prevailing market yields used by LIC for similar computations.
3. The entire Plan Assets are managed by the Life Insurance Corporation of India (LIC). The details with respect to the composition of investments in the fair value of Plan Assets have not been disclosed in the absence of the necessary information.
4. In the absence of the relevant information from the actuary, no disclosure has been made for experience adjustments.

Note 31 Compensated Absences

The key assumptions used in the computation of provision for long term compensated absences as per the Actuarial Valuation done by an Independent Actuary are as given below:

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
Assumptions		
Discount Rate	7.75%	8.00%
Salary Increase	10.00%	10.00%
Attrition Rate	16.00%	16.00%

Note 32 Segment information

The Company is primarily engaged in the business of Micro financing. All the activities of the Company revolve around the main business. Further, the Company does not have any separate geographic segments other than India. As such there are no separate reportable segments as per AS-17 "Segmental Reporting".

Note 33 Grants

The Company had received a capacity building grant of Rs. 569,000 during the financial year 2008-09 from Small Industries Development Bank of India (SIDBI). The amount was received towards capital grant for purchase of fixed assets, and was accordingly spent for the stated purpose. An amount of Rs. 36,783 (P.Y Rs. 42,809) has been recognized as income during the year being the proportionate depreciation on assets purchased, out of capital grant received.

Note 34 Earnings per Share

a. Earnings per share:

Particulars	For the Year ended 31 March 2016	For the Year ended 31 March 2015
Profit after tax (Rs.)	239,584,886	103,987,222
Less Preference dividend and tax thereon	(7,333,067)	(4,166,765)
Profit for the year attributable to the equity shareholders	232,251,819	99,820,457
Weighted Average Number of Equity Shares (Basic)	16,556,023	8,966,847
Add: Dilutive effect relating to ESOP	-	41,351
Weighted Average Number of Equity Shares (Diluted)	16,556,023	9,008,198
Earnings per Share - Basic Rs.	14.03	11.13
Earnings per Share - Diluted Rs.	14.03	11.08
Face value of Shares - Rs.	10	10

b. Earnings per share (excluding exceptional items):

Particulars	For the Year ended 31 March 2016	For the Year ended 31 March 2015
Profit after tax (Rs.)	239,584,886	103,987,222
Add: Exceptional items	25,320,335	
Less Preference dividend and tax thereon	(7,333,067)	(4,166,765)
Profit for the year attributable to the equity shareholders	257,572,154	99,820,457
Weighted Average Number of Equity Shares (Basic)	16,556,023	8,966,847
Add: Dilutive effect relating to ESOP	-	41,351
Weighted Average Number of Equity Shares (Diluted)	16,556,023	9,008,198
Earnings per Share - Basic Rs.	15.56	11.13
Earnings per Share - Diluted Rs.	15.56	11.08
Face value of Shares - Rs.	10	10

Note 35 Disclosure requirements under Accounting Standard 19 on 'Leases'

Financial lease comprises lease of vehicles under a Hire purchase scheme. The future cash flows are disclosed below:

	Rentals (Rs.)		Present value (Rs.)	
	As at 31 March 2016	As at 31 March 2015	As at 31 March 2016	As at 31 March 2015
Rentals payable under Hire purchase agreement				
- Within one year	1,020,687	1,544,940	979,631	1,363,314
- Later than one year and not later than five years	-	1,020,687	-	979,631
Less: Future finance charges	41,056	222,682		-
	979,631	2,342,945	979,631	2,342,945

Operating leases taken by the company are cancellable at the option of the Company. The lease expenses debited to the Statement of Profit and Loss for the year amounts to Rs.22,373,722 (PY Rs.8,722,915).

Note 36 Related party transactions

Details of related parties:

Name of Related parties and the nature of relationship (with respect to parties with whom the Company had transactions during the year)

Nature of Relationship	Name of the Party	
	For the Year ended 31 March 2016	For the year ended 31 March 2015
Key Management Personnel	Mr. S V Raja Vaidyanathan, Managing Director	Mr. S V Raja Vaidyanathan, Managing Director
	Mr. R. Govindarajan, Chief Financial Officer (with effect from 23rd September, 2015)	-
	Ms. Simi S.S, Company Secretary (with effect from 29th October, 2015)	-
	Mr. G. Srikanth, Chief Financial Officer till 09 October 2015	Mr. G. Srikanth, Chief Financial Officer
	Ms. Nithya, Company Secretary till 29 October 2015	Ms. Nithya, Company Secretary
Holding Company Entities where Company has control	Manappuram Finance Limited	Manappuram Finance Limited
	Asirvad Development Foundation	Asirvad Development Foundation

Transactions with related parties

Transaction	Related Party	For the year ended 31 March 2016	For the year ended 31 March 2015
Equity share capital subscribed and paid up	Manappuram Finance Limited	999,999,915	630,000,038
Loan Received	Manappuram Finance Limited	500,000,000	300,000,000
Repayment of Term Loan	Manappuram Finance Limited	500,000,000	300,000,000
Loan processing fee paid	Manappuram Finance Limited	626,712	-
Reimbursement of expense	Manappuram Finance Limited	767,700	-
Interest paid on Term Loan	Manappuram Finance Limited	16,051,706	4,869,863
Preference share capital subscribed and paid up	Mr. S V Raja Vaidyanathan	20,000,000	20,000,000
Dividend paid on preference shares/	Mr. S V Raja Vaidyanathan	3,609,863	-
Interest paid on Preference share application money	Mr. S V Raja Vaidyanathan	-	282,740
Remuneration	Mr. S V Raja Vaidyanathan	11,950,000	8,600,000
Retainer Bonus	Mr. S V Raja Vaidyanathan	-	8,000,000
Allotment of shares under ESOP	Mr. S V Raja Vaidyanathan	111,700	223,400
Remuneration (part of the year)	Mr. R.Govindarajan	1,472,220	-
Remuneration (part of the year)	Mr. G Srikanth	2,868,886	3,927,497
Allotment of Shares	Mr. G.Srikanth	-	223,400
Remuneration (part of the year)	Ms. Simi S S	264,443	-
Remuneration (part of the year)	Ms. K Nithya	422,890	566,246
Assistance	Asirvad Development Foundation	2,000,000	2,114,126
Balance as at year end			
Other Receivable	Manappuram Finance Limited	4,373,288	-
Assistance payable	Asirvad Development Foundation	2,000,000	2,114,126

Note:

Related party relationships are as identified by the Management and relied upon by the Auditors.

Note 37 Micro, Small and Medium Enterprises

Based on the extent of information available with the management, there are no transactions with Micro and Small Enterprises. This has been relied upon by the auditors.

Note 38 Assistance

The Company has approved an assistance of Rs.2,000,000 (Previous Year - Rs. 2,114,126) to Asirvad Development Foundation for the year ended 31st March 2016. The amount is disclosed under 'Donations and contributions' in Note 25 Other expenses.

Note 39 Agreement with MAS Financial Services Limited

The Company has entered into agreements with MAS Financial Services Limited (MAS) whereby the Company will undertake to disburse and manage loans on behalf of MAS. The Company will pay an interest of 15.25% to MAS and shall be entitled to retain the interest over and above the specified percentage for the services rendered. The Company received and disbursed advances amounting to Nil (Rs 230,000,000 during the previous year) from MAS during 2015-16 towards this activity. The interest payable on such portfolio and installments collected and held in trust for MAS work out to Rs 23,826,276 which is disclosed under Note No.8 Other Current Liabilities. The Company is liable for the collection of the loans and any losses arising on default of the loans is to be borne by the Company. The Company has also given a cash collateral of Rs 10,665,122 (Rs 38,208,750 during the previous year) in the form of fixed deposits and a guarantee defined as a percentage of loan outstanding at any point of time.

Note 40 Agreement with Adhikar Microfinance Private Limited

The Company had entered into an agreement dated 15 December 2013 with Adhikar Microfinance Private Limited (Adhikar) whereby Adhikar will undertake to source the prospective borrowers, disburse the loans and manage the loans on behalf of the Company. The loans will be recorded in the books of the Company and the interest income and fee on such loans shall be receivable by the Company. The Company shall pay a fee compensation equal to interest of 6% on the loans to Adhikar for the services rendered. The Company has disbursed such loans amounting to Nil (prev year Rs 47,580,000) with a portfolio outstanding of Nil as on 31 March 2016 (Prev Year Rs 17,889,215), which is included in 'Microfinance Loans' in Note 16 Receivables under Financing Activity. The fee paid to Adhikar during this period amounted to Rs. 342,020 (Rs 2,778,471 during the previous year) which has been included under Commission in Note 25 Other expenses.

Note 41 Marketing Commission

The Company has entered into agreements with Inthree Financial Services and Uniq Synergy for marketing their solar lamps, mobile Phones and cookware to its members. The Company receives commission for the lamps, mobile phones and cookware sold at the volume based slab rates specified according to the terms of the agreements. The Company has received an amount of Rs. 87,268,630 (P.Y Rs 37,615,510) towards commission for the marketing of solar lamps, mobile phones and cookware.

RBI Disclosures - Disclosures in accordance with provisions of RBI

Note 42 Disclosure Pursuant to Reserve Bank of India Notification RBI/2014-15/299 DNBR (PD) CC.No.002/03.10.001/2014-15 dated 10th November 2014

i. Capital Adequacy Ratio

Particulars	As at31 March 2016	As at31 March 2015
Tier I Capital	2,217,153,906	1,000,881,751
Tier II Capital	61,531,143	43,873,750
Total Capital	2,278,685,049	1,044,755,501
Total Risk Weighted Assets	9,175,268,491	3,004,352,731
Capital Ratios		
Tier I Capital as a percentage of Total risk weighted assets (%)	24.17%	33.31%
Tier II Capital as a percentage of Total risk weighted assets (%)	0.67%	1.46%
Total (%)	24.84%	34.77%
Amount of Subordinated Debt raised as Tier II Capital	-	-
Amount raised by issue of Perpetual Debt instruments	-	-

ii. Investments

		Particulars	As at31 March 2016	As at31 March 2015
(1)		Value of Investments		
	(i)	(a) In India	250,583,708	500,000
		(b) Outside India	-	-
	(ii)	Provisions for Depreciation		
		(a) In India	-	-
		(b) Outside India	-	-
	(iii)	Net value of Investments		
		(a) In India	250,583,708	500,000
		(b) Outside India	-	-
(2)		Movement of provisions held towards depreciation on investments		
	(i)	Opening balance	-	-
	(ii)	Add: Provisions made during the year	-	-
	(iii)	Less: Reversal of provision on account of merger	-	-
	(iv)	Closing balance	-	-

iii. Exposure to Real Estate Sector, both Direct and Indirect

The Company does not have any direct or indirect exposure to the real estate sector as at 31st March 2016 and 31 March 2015.

iv. Exposure to Capital Market

The Company does not have any exposure to Capital market as at 31st March 2016 and 31 March 2015.

v. Asset Liability Management

Maturity Pattern of Certain Items of Assets and Liabilities as at 31st March 2016:

Amt in Rs.

	Upto 1 month	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 yrs to 5 yrs	Over 5 years	Total
Liabilities									
Borrowing from Banks*	96,325,271	158,615,718	142,553,938	446,525,867	861,628,934	1,640,383,250	51,666,667	-	3,397,699,645
Market Borrowing *	150,171,607	109,111,999	105,502,327	659,623,704	769,491,431	1,681,684,506	800,000,000	-	4,275,585,574
Assets									
Advances@	526,166,909	574,994,777	579,678,170	1,730,571,057	3,182,656,527	2,013,327,238	3,135,321	-	8,610,529,999
Investment	250,083,708							500,000	250,583,708

Maturity Pattern of Certain Items of Assets and Liabilities as at 31st March 2015 :

	Upto 1 month	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 yrs to 5 yrs	Over 5 years	Total
Liabilities									
Borrowing from Banks*	70,397,967	70,135,584	61,112,029	202,250,003	322,362,459	521,944,598	33,332,600		1,281,535,240
Market Borrowing *	64,894,240	79,584,767	70,473,984	219,620,835	323,658,699	359,602,927	-		1,117,835,452
Assets									
Advances@	152,119,722	178,501,585	184,309,096	528,221,434	903,802,206	695,825,069	-		2,642,779,112
Investment	-	-	-	-	-	-	-	500,000	500,000

Note:

* - Excludes Interest Accrued but Not Due on Loans to Borrowers

@ - Excludes Interest Accrued but Not Due on advances

vi. Other Regulator Registration

Slno	Regulator	Registration No
1	Ministry of Company Affairs	CIN: U65923TN2007PTC064550
2	Reserve Bank of India	Certificate of Registration dt: N-07-00769 dated 4th Oct 2013

vii. Penalties levied by the above Regulator - Nil**viii. Ratings assigned by Credit Rating Agencies**

	As at 31 March 2016	As at 31 March 2015
Commercial Paper & Non-Convertible Debentures		
Working Capital Demand loans		
Cash Credit		
Bank Term Loans	ICRA - A minus CARE - Single A minus	ICRA-BBB (Positive)
Non-Convertible Debentures	CBO I & II & V & VI & IX: [ICRA] A(SO)CBO III, IV : [ICRA] A+(SO)IFMR Flmpact : [ICRA] A-Kotak MF NCD : [CARE] A-Blue Orchid : [CARE] A-	CBO I & II & V: [ICRA]BBB+(SO) CBO III, IV & V: [ICRA]A-(SO)
Subordinated Debt		
Perpetual Debt		

ix. Concentration of Advances

	As at 31 March 2016	As at 31 March 2015
Total Advances to twenty largest borrowers	Not applicable - Refer note below	
Percentage of Advances to twenty largest borrowers to Total advances of the NBFC		

x. Concentration of Exposures

	As at 31 March 2016	As at 31 March 2015
Total Exposure to twenty largest borrowers	Not applicable - Refer note below	
Percentage of Exposures to twenty largest borrowers / customers to Total advances of the NBFC on borrowers / customers		

xi. Concentration of NPAs

	As at 31 March 2016	As at 31 March 2015
Total Exposure to top four NPA accounts	Not applicable - Refer note below	

Note: The Company operates in the business of microfinance providing collateral free loans for fixed amounts ranging from Rs. 15,000 to Rs. 35,000 to women engaged in various income

generating activities. As at 31 March 2016, the Company has provided loans to more than 6 lakhs women and hence, the disclosure relating to concentration to advances, exposures and NPA's are not applicable to the Company. It also provides SME loans in the range of Rs. 75,000 to Rs. 25,00,000 and the portfolio under this head as a % of total portfolio is negligible.

xii. Sector-wise NPAs as of March 31, 2016

Sector	% of NPAs to total advances in that sector as on 31 March 2016	% of NPAs to total advances in that sector as on 31 March 2015
Agriculture & Allied activities		
MSME		
Corporate borrowers		
Services		
Unsecured personal loans		
Auto loans (Commercial vehicles)		
Microfinance loans	0.11%	0.04%

xiii. Movement of NPAs

	Particulars	As at 31 March 2016	As at 31 March 2015
(i)	Net NPAs to Net advances (%)	0.08%	0.03%
(ii)	Movement of NPAs (Gross)		
	(a) Opening balance	1,013,167	381,046
	(b) Additions during the year	37,000,121	2,764,118
	(c) Reductions during the year	28,307,195	2,131,997
	(d) Closing balance	9,706,093	1,013,167
(iii)	Movement of Net NPAs		
	(a) Opening balance	764,243	265,949
	(b) Additions during the year	34,726,852	498,294
	(c) Reductions during the year	28,307,195	-
	(d) Closing balance	7,183,900	764,243
(iii)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	(a) Opening balance	248,924	115,097
	(b) Provisions made during the year	2,273,269	2,265,824
	(c) Write off / write back of excess provisions	-	2,131,997
	(d) Closing balance	2,522,193	248,924

xiv. Customer Complaints

	Particulars	As at 31 March 2016	As at 31 March 2015
(a)	No of complaints pending as on April 01, 2015	Nil	Nil
(b)	No of complaints received during the year	159	355
(c)	No of complaints redressed during the year	159	355
(d)	No of complaints pending as on March 31, 2016	Nil	Nil

Note:

The above summary is prepared based on the information available with the Company and relied upon by the Auditors.

Note 43 Disclosure of frauds reported during the year ended Mar 31, 2016 vide DNBS. PD. CC No 256/03.10.042/2011-12 dated March 02, 2012

Current Year

Category	= or More than Rs. 1 lakh		Less than Rs. 1 lakh	
	Number of instances	Amount Rs. in lakhs	Number of instances	Amount Rs. in lakhs
Embezzlement of cash by employees	3	16.38	-	-

Previous Year

Category	= or More than Rs. 1 lakh		Less than Rs. 1 lakh	
	Number of instances	Amount Rs. in lakhs	Number of instances	Amount Rs. in lakhs
Embezzlement of cash by employees	Nil	Nil	Nil	Nil

Note 44 Disclosure Pursuant to Clause 32 of the Listing Agreement

Nil

Note 45 Disclosure Pursuant to Reserve Bank of India Notification DNBS.193G (VL) - 2007 dated 22nd February 2007

Sl.no	Particulars	As at 31 March 2016	
		Amount outstanding in Rs.	Amount overdue in Rs.
	Liabilities:		
(1)	Loans and Advances availed by the NBFC inclusive of interest accrued thereon but not paid:		
A	Debentures		
	- Secured	1,599,583,245	
	- Unsecured *		-
	(other than falling within the meaning of public deposits)		
B	Deferred Credits		-
C	Term Loans	6,073,701,974	-
D	Inter-Corporate Loans and Borrowings		-
E	Commercial Paper		-
F	Other Loans		-

Sl.no	Particulars	As at March 31st 2015	
		Amount outstanding in Rs.	Amount overdue in Rs.
	Liabilities:		
(1)	Loans and Advances availed by the NBFC inclusive of interest accrued thereon but not paid:		
A	Debentures		
	- Secured	459,583,445	-
	- Unsecured *	-	-
	(other than falling within the meaning of public deposits)	-	
B	Deferred Credits		-
C	Term Loans	1,945,318,933	-
D	Inter-Corporate Loans and Borrowings	-	-
E	Commercial Paper	-	-
F	Other Loans		-

Sl. No	Particulars	Amount outstanding as on 31 March 2016 in Rs.	Amount outstanding as on 31st March 2015 in Rs.
	Assets:		
(2)	Break-up of Loans and Advances including Bills Receivables (other than those included in 3 below)		
A	Secured	-	-
BXC	Unsecured	8,610,529,999	2,642,779,112
3	Break-up of Leased Assets and Stock on Hire and Other Assets counting towards AFC activities		
I	Lease Assets including Lease rentals accrued and due:		
	(a) Financial Lease	-	-
	(b) Operating Lease	-	-
ii	Stock on Hire including Hire Charges under Sundry Debtors:		
	(a) Assets on Hire	-	-
	(b) Repossessed Assets	-	-
lii	(a) Loans where Assets have been repossessed	-	-
	(b) Loans other than (a) above	-	-
4	Break-up of Investments		
	Current Investments		
I	Quoted:		
I	Shares: (a) Equity	-	-
	(b) Preference	-	-
II	Debentures and Bonds	-	-
III	Units of Mutual Funds	-	-
IV	Government Securities	-	-
V	Others (please specify)	-	-

Sl. No	Particulars	Amount outstanding as on 31 March 2016 in Rs.	Amount outstanding as on 31st March 2015 in Rs.
I	Unquoted:		
I	Shares: (a) Equity	-	-
	(b) Preference	-	-
II	Debentures and Bonds	-	-
III	Units of Mutual Funds	250,083,708	-
IV	Government Securities	-	-
V	Others	-	-
	Long term Investments		
I	Quoted:		
I	Shares: (a) Equity	-	-
	(b) Preference	-	-
II	Debentures and Bonds	-	-
III	Units of Mutual Funds	-	-
IV	Government Securities	-	-
V	Others (please specify)	-	-
I	Unquoted:		
I	Shares: (a) Equity	500,000	500,000
	(b) Preference	-	-
ii	Debentures and Bonds	-	-
iii	Units of Mutual Funds	-	-
iv	Government Securities	-	-
V	Others	-	-

(5) Borrower Group-wise Classification of Assets financed as in (2) and (3) above

Sl no	Particulars	As at 31 March 2016 Amount in Rs. (Net of Provisions) (Refer Note below)		
		Secured	Unsecured	Total
1	Related Parties			
	(a) Subsidiaries	-	-	-
	(b) Companies in the same group	-		
	(c) Other Related Parties	-		
2	Other than Related Parties	-	8,508,220,742	8,508,220,742
	Total	-	8,508,220,742	8,508,220,742

Sl no	Particulars	As at 31 March 2015 Amount in Rs. (Net of Provisions) (Refer Note below)		
		Secured	Unsecured	Total
1	Related Parties			
	(a) Subsidiaries	-	-	-
	(b) Companies in the same group	-		
	(c) Other Related Parties	-		
2	Other than Related Parties	-	2,610,363,958	2,610,363,958
	Total	-	2,610,363,958	2,610,363,958

Note:

The amount of Assets financed represents the net owned portfolio outstanding after adjusting the provisions for standard, substandard and doubtful assets.

6 Investor Group-wise classification of all Investments (Current and Long term) in Shares and Securities (both quoted and unquoted):

Sl no	Category	Market Value / Breakup Value or Fair Value or Net Asset Value (Company's Share)	Book Value
1	Related Parties		
	(a) Subsidiaries	-	-
	(b) Companies in the same group	-	-
2	Other than Related Parties (Refer note)	747,500	500,000
	Total	747,500	500,000

Sl no	Category	Market Value / Breakup Value or Fair Value or Net Asset Value (Company's Share)	Book Value
1	Related Parties		
	(a) Subsidiaries	-	-
	(b) Companies in the same group	-	-
	(c) Other Related Parties	-	-
2	Other than Related Parties (Refer note)	518,000	500,000
	Total	518,000	500,000

Note:

The Company's share of the Net Asset Value of Alpha Micro Finance Consultants Private Limited has been calculated based on the unaudited financial statements of the Company as at 31 March 2016.

7	Other Information	As at31 March 2016	As at31 March 2015
I	Gross Non-Performing Assets		-
	a) With Related Parties		
	b) With Others	9,706,093	1,013,167
II	Net Non-Performing Assets		-
	a) With Related Parties		
	b) With Others	7,183,900	764,243
III	Assets acquired in satisfaction of debt		-
	a) With Related Parties		-
	b) With Others		-

Note 46 Net Interest Margin during the year:

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Average Interest (a)	23.51%	25.35%
Average effective cost for borrowing Interest (b)	14.04%	17.94%
Net Interest Margin (a-b)	9.47%	7.41%

The Average interest represents the effective rate at which loans have been disbursed to the customers for the year ended 31 March 2016 and 31 March 2015.

The Average interest cost of borrowings of the Company for the year ended 31 March 2016 and 31 March 2015 has been computed based on the monthly interest cost divided by the average monthly balances of outstanding borrowings. The Average cost of borrowings include the following:

- a. Upfront processing fees paid by the Company for availing loans.
- b. Interest loss on fixed deposits placed as collateral, being difference between rate of interest on fixed deposit and the interest rate on the borrowings.

Note 47 Disclosures of Transactions Pursuant to clause 28 of the Debt Listing Agreement with BSE Limited

Sl No	Loans and Advances in the nature of Loans	Amount Outstanding as at 31.03.2016	Maximum Amount Outstanding during the year
(A)	To Subsidiaries	-	-
(B)	To Associates	-	-
(C)	Where there is		
	(i) No repayment schedule	-	-
	(ii) Repayment beyond seven years	--	--
	(iii) No interest		
	(iv) Interest below the rate as specified in section the Companies Act, 1956/section 186 of 372 A of the Companies Act, 2013	-	-
	To Firms / Companies in which Directors are interested (other than (A) and (B) above)	-	-
(D)	Adhikar Microfinance Private Limited (See note below)	-	3,358,767
(E)	Investments by the loanee in the shares of Parent Company and Subsidiary Company	-	-

Note: The information on maximum amount outstanding has been disclosed from the date on which the concerned Director was appointed on the Board of the Company.

Note 48 NBFC - ND

The Company is a Systemically Important Non-deposit taking Non-Banking Finance Company (NBFC-ND-SI). The Company has received Certification of Registration dated 14 December 2007 from the Reserve Bank of India to carry on the business of Non Banking Financial Institution without accepting deposits.

Note 49 Previous Year Figures

Previous year's figures have been reclassified to conform with the current year's classification / presentation, wherever applicable.

In terms of our report attached.

For Deloitte Haskins & Sells
Chartered Accountants

Bhavani Balasubramanian
Partner

Place : Chennai
Date : 06 May 2016

For and on behalf of the Board of Directors

V P Nandakumar
Chairman

Gautam Saigal
Director

Kalpna Iyer
Director

R Govindarajan
Chief Financial Officer

S V Raja Vaidyanathan
Managing Director

A Ramanathan
Director

V R Rajiven
Director

Simi S S
Company Secretary

CORPORATE EVENTS



AMPL - Internal Audit Team



AMPL - Corporate and State Functional Heads

**CORPORATE
EVENTS**



AMPL - State Heads





ACHIEVEMENTS AND FIVE YEAR COMPLETION AWARDS



CORPORATE EVENTS





AMPL - Training



CORPORATE
EVENTS

AMPL Awardees with Board Members





CHENNAI - FLOOD RELIEF





ASIRVAD DEVELOPMENT FOUNDATION



Installation of solar panels in Sri Sathya Sai Institute of Educare, Chennai.



Construction of Toilet block building in Semmangudi Boys Student at Kumbakonam, Thanjavur District through AIM FOR SEVA

