

# SAMBANDH FINSERVE PRIVATE LIMITED

ANNUAL REPORT 2014-2015



**SAMBANDH**<sup>®</sup>  
FINANCIAL SERVICES



**TREATING EVERY CLIENT AS A PREFERRED CLIENT.....**

## MICROFINANCE

Micro-finance refers to small savings, credit and insurance services extended to socially and economically disadvantaged segments of society. In the Indian context terms like "small and marginal farmers", "rural artisans" and "economically weaker sections" have been used to broadly define micro-finance customers.



**The recent Task Force<sup>1</sup> on Micro Finance has defined it as "provision of thrift, credit and other financial services and products of very small amounts to the poor in rural, semi urban or urban areas, for enabling them to raise their income levels and improve living standards".** At present, a large part of micro finance activity is confined to credit only. Women constitute a vast majority of users of micro-credit and savings services.<sup>2</sup>

---

<sup>1</sup> "Task force report on micro finance" – NABARD 1991

<sup>2</sup> Taken from the publication "Microfinance in India" available at Publications section at [www.basix.com](http://www.basix.com)

## ABOUT US

The Hindi word **SAMBANDH** literally means “**Relationship**”. SAMBANDH Finserve Private Limited (SFPL) targets to uniquely work in the **Micro Finance** space by strongly building on the “Relationship” factor. SAMBANDH is committed to building ‘Enduring Relationships’ with all its stakeholders, especially with its Low Income clients by adopting Value based Practices.

SAMBANDH offers financial products and services that enable entrepreneurship at the grass roots and also simultaneously impact a positive change in the quality of life of its clients.

SAMBANDH Finserve Private Limited (SFPL) is a new age Micro Finance Institution (MFI) established in the year 2009. In the initial phases, SFPL was launched as a special project under the aegis of **Regional Rural Development Centre (RRDC)** a not-for-profit organization established in 1992, under the Societies Registration Act, 1860. This project existed for the period between 2006-2009. After a careful introspection in the year 2009, keeping in with the recent trends of the sector and also requirements of the Banking/Financial institutions it was decided that micro finance currently under the Not for profit format could be best executed under the Non Banking Finance Company (NBFC) format. In the same year, the project SAMBANDH and the related business aspects was transferred to an **NBFC - “SAMBANDH Finserve Private Limited”**.

In October 2012, the company had applied to the Reserve Bank of India, Bhubaneswar for reclassification under the new category NBFC-MFI and in October 2013 it received the reclassification as an “**NBFC-MFI**”.

SAMBANDH Finserve Private Limited is an effort to bring about ‘**positive change**’ in lives of the poor and the underprivileged. SFPL is committed to providing financial and value added services on a continuous basis ensuring ‘positive impact’ and ‘genuine customer delight’. Its active client base of 43,989 and Portfolio of Rs. 490,142,705 (as on the end of March 2015) is indicative of the acceptance of its services in this region and the willingness of the clients to associate with SFPL over the long term.

**SFPL has a current active client base of 43,989 and Portfolio of Rs. 490,142,705 (as on 31<sup>ST</sup> March 2014)**

SFPL emerged as a part of the roadmap to sustainable development of local communities based on a three pronged approach:

1. Providing financial access and meeting diversified financial needs
2. Building and strengthening human capital
3. Providing support, value chain services for holistic growth of the enterprises.

The roadmap is called the **‘Sustainable Enterprise Development framework’** (SEDF) targeting the holistic development of poor communities, by providing complete and appropriate enterprise solutions to the target communities.

SEDF works on a three pronged approach which comprises the following:



## OUR VISION

---

SAMBANDH envisages a socio-economically prosperous society.

## MISSION

---

“To provide a broad range of client focused and responsive financial services on a continuous basis that socially and economically empower our clients and other stakeholders”.



## GUIDING PRINCIPLES

---

- ➔ Putting ‘clients first’
- ➔ Adopting ‘innovations in business’
- ➔ ‘Co-creating win –win situation’ for stakeholders

## POSITIONING STATEMENT

---

Champion of Financial Inclusion and Provider of services that transform livelihoods give dignity and expand opportunities.

## OUR VALUES

---

SFPL envisages high standards of Leadership by inculcating the following values-

- **Honesty & Integrity**-with all stakeholders of the organization and maintaining high moral standards
- **Transparency**- by inculcating high degree of commitment to sincere reporting
- **Empathy**- in understanding the concerns and ideas of people all around whether within or external to the organization and be cordial to them at all times.
- **Fortitude**-showing courage by standing up for what is right in the face of adversity
- **Synergy**- by aligning team efforts, thereby achieving optimum performance as a means to success.
- **Excellence** - in each and every sphere of organizational activity and achieving results that is better than the best.
- **Communication and Candor**- encourages and practice continuous and effective communication by expressing freely and frankly without inhibitions.
- **Celebration**-make it a practice to celebrate every achievement big or small, whether it's organizational or personal, because winners always celebrate
- **Professionalism** – meeting the standards and continuously improving and upgrading oneself.

**Annu Sahoo, 42 years**  
**Bondamunda, Rourkela**

Annu Sahoo lives in a semi-developed slum area of Bondamunda-I in the outskirts of the steel city Rourkela. Her family consists of her husband Mahesh Sahoo, four daughters and one son. Her husband runs a business of *gupchup* and also sells variety items to earn livelihood for the family. Every morning, Annu helps her husband in making *gupchup* and then looks after the household chores. Earlier to availing loan from SAMBANDH, their business yielded a monthly income of Rs. 10,000/- and this was all that Annu had to meet the requirements of her family. Annu



recalls that this amount was just sufficient to meet the day to day expenses of her family. Though she tried a lot to save some money but was unable to do so and kept looking for ways to increase her income so that she would be able to save some money for the future of her children.

Annu joined a group named Satyashila and availed her first loan of Rs. 10,000/- on January 09<sup>th</sup>, 2013. Her husband needed a hand cart to set up his *gupchup* business and added some more items to it. With this amount, Annu supported her husband's business and helped him buy the hand cart. On the completion of her first loan she reapplied for a second loan and availed Rs. 10,000/- which was invested in her husband's business to expand it. Subsequently, on July 10<sup>th</sup>, 2014 Annu availed her third loan of Rs. 20,000/- and has invested in entirely in her husband's business. All these investments have helped their business to grow and yield more income. Today Annu announces with a smile that her income has increased from Rs. 10,000/- to Rs. 15,000/- and this has greatly helped her to meet her family requirement in a better way. She is now able to save small amount of money every month for her daughters' marriage and education.

A happy Annu is now hopeful that she will be able to give her children a good future. Looking at her house, she says that earlier she only wished to have a new house with all amenities, but now she plans how to build it. She expresses her gratitude to SAMBANDH for the financial support provided to her and wishes to avail the services in future as well.

## CHAIRMAN'S MESSAGE

Welcome to this 19<sup>th</sup> Annual General Body Meeting of the Company. The performance of the Company has earned much praise worthy beads on its garland. Old flower beads are still fresh while new ones are more fragrant.

i) In Rourkela, the new office the Company has is commodious and decent as a work place. The Company has two numbers of Area offices and 17 numbers of Branch offices, SFPL 8 and BC model 9 ; 14 in Odisha,2 in Chhatisgarh and 1 in Jharkhand. The total staff number is 164 in the Company comprising 6 in the manager grade, 41 in the technical grade in MIS, Accounts and HR, There are 25 Assistants including Cooks, Drivers and Admin Assistant

ii) Business transaction during the financial year 2014-15 has been of the order of Rs-4,000 lakh in terms of fund received from Funders who number respectable 10 and include Commercial Banks, namely Canara Bank and UCO Bank. IDBI and SIDBI have had a pioneering role. Dia Vikas, MAS Financial Services Ltd and IFMR Capital Pvt LTD have been playing big role in our business transactions.

iii) Our repayments to the funders are high above marks. We treat our loan clients as 'preferred clients' and our service staff under SFPL and BC with models perform with initiative, motivation and high grade of role perception standards. Our repayment performance is a reflection of their efficiency.

iv) The Company has disbursed Rs. 3,737 lakh under SFPL in favour of 24,799 of loanee clients for small and micro business. It has advanced Rs. 1,558 lakh in favour of 8,952 clients under BC model. The SFPL invoice amount has also been displaying a steady increase under the BC model.

*We at Sambandh continuously strive to provide a range of financial services to the poor and reaffirm to further strengthen as we go ahead.*

**Best regards,**

**Shri L. Kindo IAS (Retd.)  
Chairman, SFPL.**



# CONTENTS

- 1. BOARD OF DIRECTORS ..... 10
  
- 2. ORGANIZATIONAL INFORMATION ..... 13
  
- 3. GEOGRAPHICAL OUTREACH ..... 18
  
- 4. FINANCIALS ..... 21
  
- 5. PAST YEAR AT A GLANCE ..... 22
  
- 6. PARTNERSHIPS ..... 22
  
- 7. PRODUCTS OFFERED ..... 29
  
- 8. DIRECTOR’S REPORT ..... 30
  
- 9. AUDITOR’S REPORT ..... 53
  
- 10. FINANCIAL STATEMENTS ..... 60

## **BOARD OF DIRECTORS**

### **Mr. Livinus Kindo (IAS, Retd.)**

---

#### **Chairman**

Founder member of RRDC, former bureaucrat, philanthropist, eminent socio-economist with rich and varied experience in the area of Cooperatives, he has many publications to his credit. Mr. Kindo is credited with the turnaround of the Cooperative banks and societies in the state, and thus has intensive working knowledge in the areas of rural and agriculture finance. He has keen interest in the area of economic development and has been closely associated with SAMBANDH since its inception.

### **Mr. Deepak Kindo (CEO and MD, SFPL)**

---

#### **Managing Director**

Founder of SAMBANDH, an experienced professional in the MFI sector, specializing in shaping and spearheading MFI initiatives. Mr. Kindo is an MBA from Indian Institute of Forest Management, Bhopal, and has over seven years of experience in the micro finance sector in which he has also worked for Friends of Women's World Banking India. He has wide exposure to various models of micro finance both at the national as well as the international levels.

### **Mr. Dibyalochan Jena (Co-Operative Banker, Retd.)**

---

#### **Director**

A Retired banker of a Primary Cooperative Society. Mr. Jena has extended his patronage to SAMBANDH since its inception, and has been instrumental in giving direction to the organization.

### **Mr. Saurabh Baroi (DGM, Dia Vikas Capital Pvt. Ltd)**

---

#### **Nominee Director**

Mr. Baroi is a Post Graduate in Rural Management. His core skill areas include Institutional Development, Partnership Management, Mentoring, Technical Capacity Building, Legal Transformation and Due Diligence of MFIs. Prior to joining Dia Vikas Capital, he has worked with both national and international agencies such as CARE India, Access Development Services & CAPART.

**Prof. Prabal K Sen (Professor- Economics and Chairperson, Entrepreneur Development Centre (EDC), XLRI, Jamshedpur)**

---

**Independent Director**

Mr. Sen, at present, is a professor at XLRI and has served the Institute of Rural Management Anand (IRMA) as Bank of Baroda Chair Professor from November 2001 to March 2007. He had earlier taught at the Post Graduate Department of Economics in Burdwan University and served a public sector bank for over two decades occupying senior positions in areas related to economic research, general management and rural credit policy planning and operations. He has carried out several studies on rural credit and development, published a number of papers on related subjects and offered consultancy services, among others, to the Ministry of Rural Development, Government of India and the SIDBI Foundation for Micro Credit. Besides being the Prof. at XLRI for Macroeconomics and Rural Finance related courses, Coordinator Entrepreneur Development cell, Prof Sen currently occupies the positions of (i) Member, Board of Studies, Dept of Banking & Insurance, Faculty of Commerce, MS University of Baroda, (ii) Member, Board of PG Studies in Rural Development & Planning, Nagaland University (a Central University), and (iii) Member, Advisory Committee, School of Management & Computer Application at National Institute of Technology (NIT), Durgapur.

**Mr. Kutchibhatla Prasad (CGM RBI, Retd.)**

---

**Independent Director**

Mr. Prasad has a wide experience of 33 years with Reserve Bank of India in various capacities with Chief General Manager, RBI as his last position held. His experience covers the areas of Supervision and Examination of Non-Banking Financial Institutions & Banks including the Developmental Financial Institutions. Before joining RBI, he functioned as Senior Breeder with USAID and Rockefeller Foundations in developing disease resistant and high yielding Rice Varieties at Hyderabad with All India Coordinated Rice Improvement Project for four years.

**Mr. Subranshu Shekhar Acharya (DGM, SIDBI)**

---

**Nominee Director**

Mr. Acharya is the Deputy General Manager of SIDBI, Bhubaneswar and has over 2 decades of experience in various facets of Development Finance including MSME Financing, Micro-Finance, Development Interventions, Entrepreneurship Development, Credit, Risk Management, Cluster

Development, Credit Rating and Policy advocacy. He was a member of team in SIDBI which advocated / formulated Credit Guarantee Scheme for MSMEs. He was a founding team member of India's First SME dedicated Rating Agency - SMERA. He was a Founder In-charge of a Centralised Loan Processing Cell for SIDBI in a vibrant state like Gujarat. He has trained and supported over 5,000 Bank Managers / Entrepreneurs in various areas of Credit Appraisal, Credit Guarantee and Entrepreneurship Development etc. He is also involved in helping Micro-Finance Institutions with Equity support, hand holding and field guidance in a less developed state like Odisha.

# ORGANIZATIONAL INFORMATION

## MANAGEMENT TEAM

Deepak Kindo  
PGDFM (IIFM)  
**Managing Director**

James Raj  
PGDBM (LIBA)  
**Chief Financial Officer**

Abdul Quadir  
B. Com  
**Head- Field Operations**

Manoj Kumar Ekka  
M. Sc (Computer Science)  
**Head – Management Information System**

Manoj Raikalia  
M.A. in Oriya  
**Head – 4S**

P. Elias Lugun  
MBA in Marketing  
**Head- Internal Audit and Control**

Bimal Lakra  
Masters in Public Administration  
**Head-HR & Admin**

Felix Xess  
B.com  
**Head- Accounts**

### REGISTERED OFFICE

JUBILEE VILLA, PLOT No-7  
SINDHI COLONY  
MISSION HATA  
RAJGANGPUR-770017  
DIST - SUNDARGARH  
ODISHA

### CORPORATE OFFICE

PLOT No-O 4/9  
AREA- 7 & 8  
CIVIL TOWNSHIP  
ROURKELA-769004  
ODISHA

## OPERATIONS

SAMBANDH has adopted the elements of the Grameen & Joint Liability Group (JLGs) models. However, over a period of time there have been numerous ‘process optimizations’ initiatives making the system robust and ‘growth ready’.

- Loans are disbursed exclusively to women.
- The Grameen bank methodology is followed with a modification involving ten individuals in a group.
- Four phased operations process- detailed and standardized.
- Business sourcing and processing of loans, collection of loan repayments is done by separate teams of Field Officers (FSOs).
- Presently offering single loan product, with ‘top up’ loan facility to its client. This facility has two products namely ‘seasonal’ and ‘emergency’ loans.
- Weekly/ monthly repayment repayments done at pre determined time and date, tenure 50 weeks/ 24 months

<b>Structure of Field Operations</b>	
<b>Particulars</b>	<b>Description</b>
<b>Basic Structure</b>	Members forming group of ten
<b>Centre</b>	Three groups of ten members each.
<b>Branch/Unit</b>	Will optimize with 2,500-3,000 clients, or 250-300 groups or about 100 centers.
<b>Area Office/ Manager</b>	Will monitor 6-8 branches, no specific office location, reports to the Regional Office
<b>Regional Office</b>	Will monitor 4-6 Area Manager/Office, there may be more than one RO, reports to the Head of operations.
<b>Corporate Office</b>	Will house all the department heads and the Senior Management as depicted in the Organization structure.

- ‘Door Step Service’- Client Orientation, loan appraisals and disbursements in weekly meeting, sanction of the same at the Branch/Unit.
- ‘SAMBANDH Helpline’ initiative to aid customers in gaining useful information and providing their valuable feedback.

- Robust monitoring process with clear guidelines for supervision at all levels, clients, groups, centre, units, area office and regional office.

## **FINANCE**

---

A robust Accounting system is critical for success of micro finance operations. A well established accounting system provides the basic framework for instilling transparency in the minds of stakeholders both internal as well as external to the organization. Financial analysis and management, budgeting rely entirely on the quality of reporting of the accounting system. The entire above mentioned are paramount and indispensable in the decision making process at the senior management level. Transparency is utmost important from the funders point of view who are especially concerned with the end utilization of the financial support that is extended.

At SAMBANDH, the Accounting System and Procedures are in line with the best practices of the micro finance industry. The following are the salient features of the accounting system:

- The department is adequately staffed who have gone formal training specifically in the context of microfinance sector. Most of the staff members have served in the organization since its inception. Day today activities are guided by the well documented manuals and guidelines
- The Accounting system is automated and is integrated with the main software. Standardized reporting formats and formalized process flows.
- Fund raising and liaison work with funders handled by a special team.
- Robust control points established in each of the core processes. Follow up through comprehensive Audit.
- Financial planning and budgeting developed with Microfin and supervised by the core team.

The Chief Financial Officer is currently responsible for the overall functioning of the department. The senior executives are supported by junior executives, which depending on the work load will be added in terms of numbers. Book keeping functions are managed at the Officers level. Officers again are further divided into three sub levels namely Senior, Junior and trainee indicating the seniority at that level.

## **INTERNAL AUDIT AND CONTROL**

---

The Internal Audit and Control Department is entrusted with identifying risk in the overall functioning of the organization and is responsible for evaluating controls in a given process. Periodic Audit is done to

test the effectiveness of our systems given under the purview of normal circumstances. The Audit function is ongoing. Presently a six member specialised team mans the operation of this department.

## **MANAGEMENT INFORMATION SYSTEM**

---

Micro Finance involves a large volume of financial transactions that are small in magnitude. It is therefore paramount to track individual transactions in an accurate manner on a consistent basis. In addition, the field realities in dealing with micro finance clients, has numerous examples of information/ reporting errors resulting in a adverse situation for MFIs irrespective of the size of operations.

At SAMBANDH, this operational area has been given utmost importance since the launch of operations and functions as an independent department which reports directly to the senior management.

The following are the salient features of the Management Information Systems department:

- Software based with high level of Standardization: an automated system of reporting is currently maintained in the organization. The same is structured and standardized on the lines of large MFIs like ASA and the Grameen Bank, Bangladesh. The software is called FIMO developed by JAYAM Solutions, Hyderabad. Various report targeted to capture the different stages of operations have been evolved. As an example the following are the various type of tracking being followed:
  - **Field movement tracking of staff:** various movement trackers prepared.
  - **Financial Tracking (Loan Installments, Fees):** demand sheets prepared, client/ loans ledgers, group-wise monthly outstanding report, overdue report, daily inflow register.
  - **Client Details:** weekly consolidation (status report) tracking new clients, graduations, dropouts etc.
  - **Qualitative Information:** A specific issue relating to field operations is captured in 'issue registers'.
- Basic and critical information is automated: the data of individual clients is maintained in the software. This client data base includes information according to the KYC norms, and includes the social as well as economic information of the clients.
- Focus on verification and triangulation of data: information is closely monitored at each stage of operations. While the client's database gives an idea of the dues (installments), the same is also calculated at the Area office level and head office level. The MIS department provides a comprehensive due (demand) sheet to the accounts department to track each and every financial transaction for a period.

- Enterprise Software - the organization has integrated other critical operational areas like HRM, Accounts and field operations into the single software.

#### Tracking of Overdues

The Software FIMO is fully equipped to track all overdues with proper ageing at all levels; it also calculates other portfolio quality indicators. The software does away with the cumbersome process of calculating the indicators manually.

## **HUMAN RESOURCES**

---

### ***“Making common men to do uncommon things” ... Lord Beveridge.***

At SAMBANDH it is strongly believed that “happy employees make happy clients”. The vision statement clearly points out that a leadership in the industry is only possible by equaling as a ‘best employer’, providing equal opportunity and making the workplace enjoyable for each and everyone.

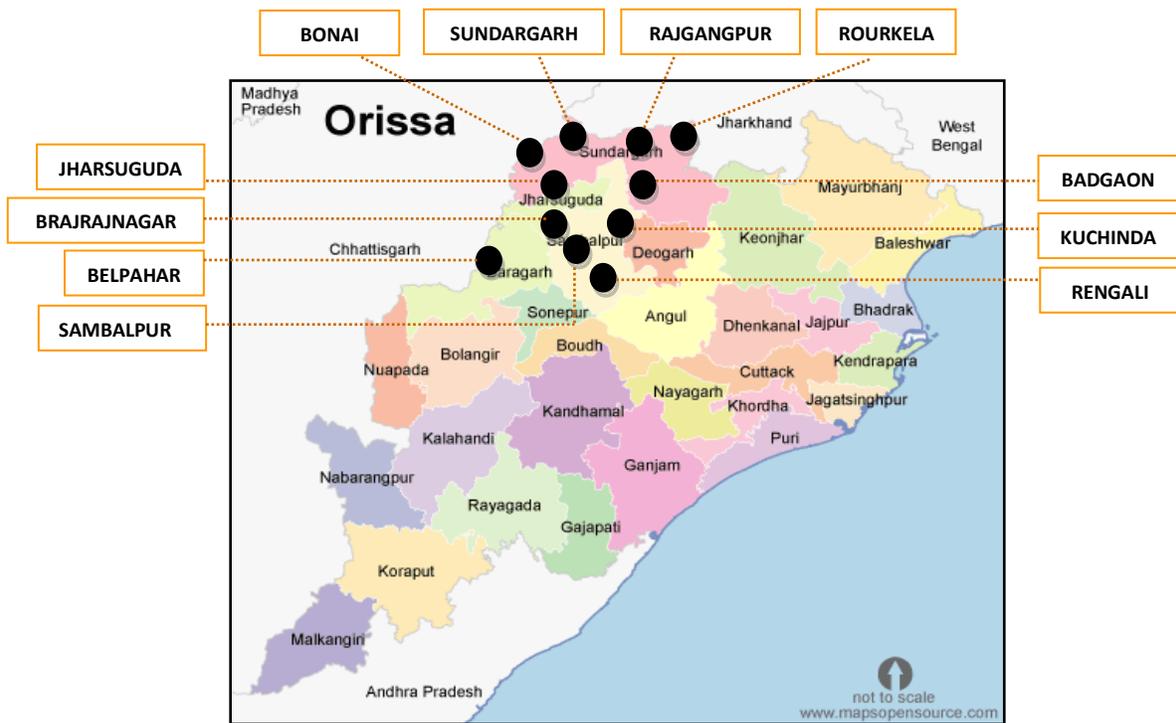
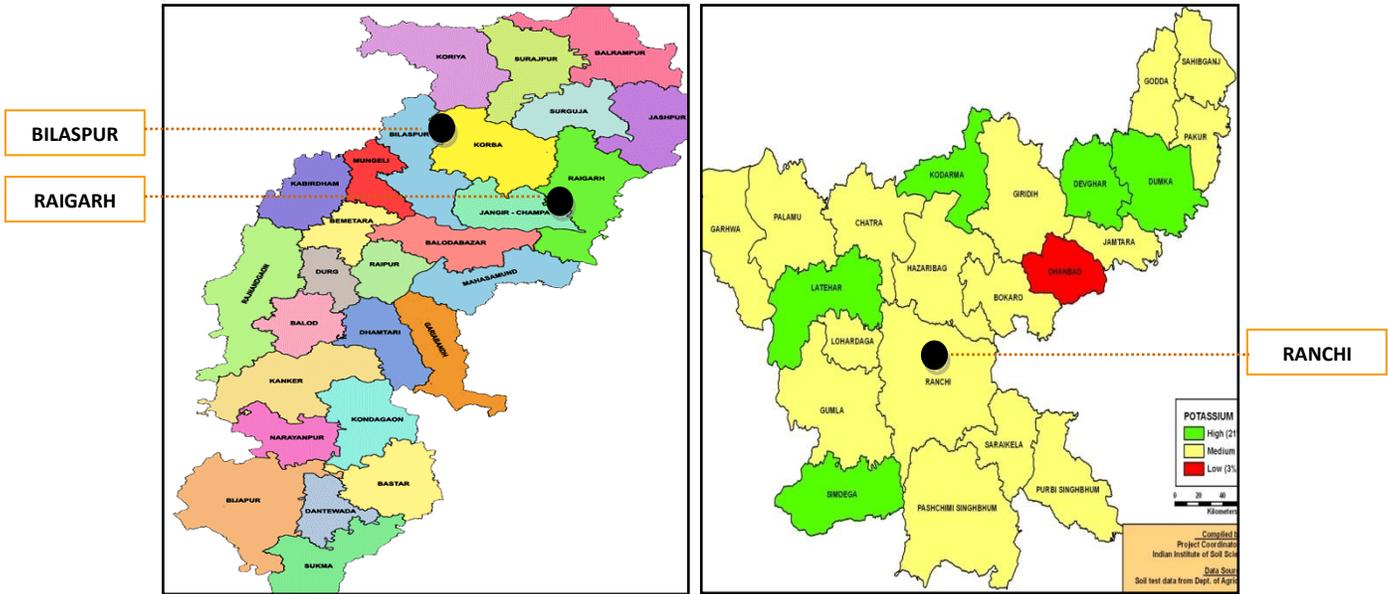
Given the labor-intensive nature of the microfinance industry, SAMBANDH prizes to grow as a people centric organization, inculcating value based work culture in tandem with systematic working approach to bring the best out in our employees. The following are the Employee Enriching initiatives undertaken in the organization:

- ✓ Effective recruitment and induction systems in place- process mapping of the same is affected.
- ✓ Training calendar prepared based on the ‘needs assessment’ of the employees.
- ✓ 360 degree appraisal followed in the organization .
- ✓ Leadership development initiatives include the ‘SCLE’ and the ‘SAMBANDH ACE hour’ concept.
- ✓ Numerous ‘work-life’ balance initiatives.

SAMBANDH has built an organizational culture of discipline, hard work, fairness and openness to learning and change. Recognizing the fact that the employees are the key resource for organization development and growth, SAMBANDH seeks to draw out the best out of its people by creating a congenial work climate and investing in building their capacity.

# GEOGRAPHICAL OUTREACH

SAMBANDH has its operations in three states with a network of seventeen branches.



## SAMBANDH IN NUMBERS

---

Till March 31, 2015	Total
Number of Loan Disbursed	35,349
Amount of Loan Disbursed	₹ 5,293.51 Lakh
Number of Active Clients	43,989
Outstanding Loan Portfolio	₹ 4,901.43 Lakh
Number of Financial Services Officers	75
Number of Units	17

### ***Shashi Rekha Sama, 40 years*** ***Bhagati Pali, Rourkela***

Shashi Rekha Samal, wife of Atala Bihari Samal resides in Bhagabati Pali-II, a slum area near Rourkela Steel Plant. She has 2 daughters named Surjakanti Samal and Suchismita Samal who are aged 15 and 10 years respectively. She lives in a house that has 2 rooms with 2 beds, 1 kitchen and the house has cemented floor with asbestos roof. Her husband runs a small grocery shop on which they are fully dependent for their livelihood. Before



availing loan from SAMBANDH, the grocery shop yielded a monthly income of about Rs. 10,000/- and it was difficult for her to meet all requirements of her home and family. She was even unable to meet the basic requirements for her children like education and nutrition.

Shashi then decided to take a loan from SAMBANDH. She joined a group named Adarsha and qualified for a loan of Rs. 12,500/-. On January 18<sup>th</sup>, 2015, Shashi received her first micro finance loan from SAMBANDH. She was also covered under the Janashree Bima Yojna of LIC for a micro premium of Rs. 100/- which assures a sum of Rs. 75,000/-. Shashi invested the entire loan amount in her husband's business by adding more items to the stock.

Shashi and her husband were very keen on utilising the loan amount for business purpose only. They ensured that the entire amount was invested in business and started assessing the increase in their monthly income. After about five months from the investment she made in her business, Shashi gladly announces that her monthly income has grown from Rs. 10,000/- to Rs. 15,000/-. She is now able to manage her family in a better way. She feels content as she mentions that now she can afford good meals for her children and provide all necessary support to them for their education. On events of health ailments, Shashi and her family members now get treated at private clinics. With these little changes in her life, Shashi now feels a sense of dignity. She has now started to plan for her future with more confidence. She dreams for a future in which her children have become teachers and got married to settle their families happily.

With a broad smile on her face, Shashi says, “we are very thankful to SAMBANDH for the financial help it has provided and it is really helping us to grow financially and socially”.



Annual Day Celebration - 2014

## FINANCIALS

(₹)

Operational Income	73,149,898.81
Other Income	8,742,917.92
<b>(A) Total Income</b>	<b>81,892,816.73</b>
Personnel Expenses	13,350,924.00
Administrative & Financial Expenses	56,195,114.44
Depreciation	3,704,344.07
<b>(B) Total Expenses</b>	<b>73,250,382.51</b>
<b>(C) Exceptional Items</b>	<b>0.00</b>
<b>(D) Profit/Loss for the year (A – B – C)</b>	<b>8,642,434.22</b>
<b>(E) Provision for Tax (FBT &amp; Deferred Tax Adj.</b>	<b>2,683,542.00</b>
Profit after Tax (D – E)	5,958,892.22
Profit/Loss Transfer to Reserve & Surplus	1,191,779.00
Balance brought forward from the previous year	3,830,229.87
<b>Balance carried to Balance Sheet</b>	<b>6,764,433.09</b>

## PAST YEAR AT A GLANCE

### Key Achievements and Milestones

- Credit Analysis and Research Limited assigned a grading of **MFI-3+** to Sambandh Finserve Private Limited.
- Commencement of Business Correspondent operations with YES Bank in July 2014.
- The installation of E-FIMO software by JAYAM Solutions Private Limited has enabled the organization in consistently auditing the performance and progress of the organization.
- Funding linkages established with Reliance Home Finance Ltd and IFMR Capital Finance (P) Ltd.

## PARTNERSHIPS

### MAS Financial Services Private Limited

---

**MAS Financial Services** is a focused retail finance company spread all over Gujarat, Maharashtra, Rajasthan, Madhya, Pradesh (Indore), Tamil Nadu (Chennai) & Karnataka (Bangalore) with its 71 branches and more than 2500 Locations and created the expertise in the distribution of credit and a base of more than 4, 00,000 customers. MAS completed close to 8 cycles per customers tenor assuming the tenor to be on average 30 months. It is registered with Reserve Bank of India as an NBFC. MAS cater to SFPL as one of the prime funders and also take the responsibility in educating us on various types of risks and the methodologies to insure them.

### DIA VIKAS CAPITAL PRIVATE LIMITED

---

**Dia Vikas** was established in early 2008 as a social investor to support the growth of Indian microfinance and encourage the development of start-up operations in underserved areas. The primary objective of this organization is the reduction in poverty rather than just a financial return. Dia Vikas partners with microfinance institutions to directly touch the lives of millions of people in profound need in an effective and very efficient way. Dia Vikas provides loans, equity and capacity building trainings to SFPL. It also helps in shaping the organization in envisaging its social goals and mission and strategizing in accomplishing them since the inception of Sambandh Finserve Private Limited.

## **Small Industries Development Bank of India**

---

**SIDBI**, set up under an Act of Indian Parliament, is the Principal Financial Institution for the Promotion, Financing and Development of the Micro, Small and Medium Enterprise (MSME) sector and for Co-ordination of the functions of the institutions engaged in similar activities. The activities of SIDBI, as they have evolved over the period of time, now meet almost all the requirements of small scale industries which fall into a wide spectrum constituting modern and technologically superior units at one end and traditional units at the other. SIDBI assistance towards Sambandh flows in the manner of one of the important funders in carrying out its operational activities. Apart from funding, SIDBI acts as a helping hand in providing various grants towards capacity building, technical assistance etc.

## **IDBI Bank Ltd**

---

Is a Universal Bank with its operations driven by a cutting edge core Banking IT platform. The Bank offers personalized banking and financial solutions to its clients in the retail and corporate banking arena through its large network of Branches and ATMs, spread across length and breadth of India. IDBI Bank is the youngest, new generation, public sector universal bank that rides on a cutting edge core banking Information Technology platform. This enables the Bank to offer personalized banking and financial solutions to its clients. It offers a wide array of products to its customers, SFPL has availed term loans for on lending for its micro finance operations

## **ANANYA Finance for Inclusive Growth Private Limited**

---

**ANANYA** Finance has come into existence as a double bottom line venture with a mission to support socially responsible enterprises in India. ANANYA was incorporated as a Company in April 2009, and has received the Non-banking finance company license from Reserve Bank of India. However, the seeds of this organization were planted several years back in the deliberations within FWWB's board of trustees. As an NBFC registered with Reserve Bank of India its mission is to help in building a vibrant microfinance sector. Along with providing loan support to SFPL, it also provides capacity building support to ensure sustainability and scaling up of the organization.

## **Friends of Women's World Banking - India**

---

**(FWWB-I)** was promoted in 1982 by SEWA Bank, as an affiliate of Women's World Banking, a global network created to focus on the need for women's direct access to financial services. To begin with, FWWB-I was providing guarantee to a few co-operative banks in the state of Gujarat to facilitate the

provision of loans to self employed women. In the year 1989, it modified its byelaws to expand its operations to cover the entire country and operate as an ‘apex’ organization to build a strong network of institutions providing financial services to low income household women. FWWB-I combined its loans with technical assistance to ensure sustainable growth of microfinance institutions. From 1989 to 2010 it reached out to more than 300 institutions with technical assistance and nearly 200 with loan support. It co-ordinates with SFPL in holistic development of building Water and Sanitation resources by providing loans.

### **CANARA BANK**

---

Widely known for customer centricity, **Canara Bank** was founded by Shri Ammembal Subba Rao Pai, a great visionary and philanthropist, in July 1906, at Mangalore, then a small port town in Karnataka. The Bank has gone through the various phases of its growth trajectory over hundred years of its existence. Growth of Canara Bank was phenomenal, especially after nationalization in the year 1969, attaining the status of a national level player in terms of geographical reach and clientele segments. Eighties was characterized by business diversification for the Bank. Towards SFPL, this bank plays the role of a funder in carrying out its operational activities. CANARA Bank ranks third in terms of funding to Sambandh Finserve Private Limited.

### **UCO BANK**

---

Founded in 1943, **UCO Bank** is a commercial bank and a Government of India Undertaking. Its Board of Directors consists of government representatives from the Government of India and Reserve Bank of India as well as eminent professionals like accountants, management experts, economists, businessmen, etc. UCO Bank vision is to emerge as the most trusted, admired and sought-after world class financial institution and to be the most preferred destination for every customer and investor and a place of pride for its employees. SFPL has availed term loans from UCO Bank.

### **IFMR Capital Finance Private Limited**

---

Promoted by IFMR Trust, IFMR Capital works towards the creation of a stable and inclusive financial system in India. IFMR Capital connects high quality Originators so that they may deepen their presence and provide access to financial services to millions of under-served households. IFMR Capital currently does this by :

- Identifying high quality Originators using our stringent Underwriting Framework

- Catalysing debt capital markets by investing our capital and providing financial guarantees
- Using financial structuring expertise to achieve efficient pricing for clients
- Utilising financial tools such as repackaging, securitisation, and credit enhancement to tailor products to match the risk profiles of different categories of investors

Founded in 2008, IFMR Capital is a registered non-banking finance company based in Chennai

### **RELIANCE Home Finance Limited**

---

Reliance Home Finance Limited is a part of Reliance Capital Ltd., one of India's leading and amongst most valuable financial services companies in the private sector. Reliance Capital, a constituent of CNX Nifty Junior and MSCI India, is a part of the Reliance Group. It is one of India's leading and amongst the most valuable financial services companies in the private sector. Reliance Capital has interests in asset management and mutual funds; life and general insurance; commercial finance; equities and commodities broking; wealth management services; distribution of financial products; asset reconstruction; proprietary investments and other activities in financial services.

### **JAYAM Solutions Private Limited**

---

Jayam Solutions is a leading Software Solutions and Service provider in the Global market providing Business solutions and High-End Technology based services to its customers with On-site, Off-site and Off-shore development models. With a company history of more than 12 years, Jayam Solutions has designed, developed and deployed many enterprise class solutions in the areas of Banking, Micro Finance Sectors using cutting edge technologies and re-usable frameworks. The FIMO application deployed in SFPL created by JAYAM helps the organization in building and maintaining database in the areas of Baseline and Client Information, tracking Loan, Savings and Savings Information, Human Resources Database and ensuring smooth flow of operational Accounts information.

### **CARE (Credit Analysis and Research Limited) Ratings**

---

CARE is a leading credit rating company headquartered in Mumbai, India, promoted by leading Banks and Financial Institutions (FIs). The three largest shareholders of CARE are IDBI Bank, Canara Bank and State Bank of India. CARE commenced its operations in October 1993 and announced its first rating in

November 1993. CARE's ratings are recognized by Government of India (GoI) and all regulatory authorities in India including Reserve Bank of India (RBI), and Securities and Exchange Board of India (SEBI). CARE has assigned a grading of MFI-3+ to SFPL assessing on a broad range of parameters which includes Transparency, Operational Set-up, Scale of Operations and Sustainability.

## **IIMPS**

---

Invest India Micro Pension Services (IIMPS) is the only social enterprise in the world focused exclusively on encouraging and enabling low income informal sector workers to accumulate micro-savings for their old age. IIMPS was promoted in late 2006 with initial seed capital from SEWA Bank and UTI AMC. IIMPS has developed a proprietary Micro Pension model as well as a scalable and streamlined, technology-led platform capable of delivering a range of non-credit financial services to the working poor at an affordable transaction cost. In partnership with SFPL, IIMPS delivers pension products co-developed by its promoters with the Government of India and with UTI, India's largest AMC.

## **EQUIFAX**

---

Equifax India is registered as Equifax Credit Information Services Private Limited (ECIS). It is a joint venture between Equifax Inc., USA and seven leading Indian financial institutions - State Bank of India, Bank of Baroda, Bank of India, Kotak Mahindra Prime Limited, Religare Finvest Limited, Sundaram Finance Limited and Union Bank of India. Equifax India aims to provide a broad range of solutions related to credit information, business analytics and risk management for our clients, across India. Equifax India is headquartered in Mumbai and has branch offices in Bangalore and Delhi. Equifax India was granted its 'Certificate of Registration' on 26<sup>th</sup> March, 2010 by the Reserve Bank of India (RBI) to establish a credit information company under 'The Credit Information Companies (Regulation) Act' 2005 (CIC Act). For SFPL, it collects information, process the data into a readable and usable form and provide credit information reports and other related products on individual consumers for a variety of uses within the purview of the CIC Act.

## **HIGHMARK**

---

Founded in 2007 and Licensed by The Reserve Bank of India (RBI) in late 2010; Crif High Mark is India's Newest and Fastest Growing Credit Bureau (CIC). Crif High Mark, a next generation credit bureau, is backed by an illustrious community of Investors and Promoters to provide its customers (in banking, financial services, insurance, telecom, and other sectors) the country's absolute best in bureau services,

risk management, and analytic solutions. Crif High Mark brings proprietary state-of-the-art technology to address nuances inherent to Indian Credit data & draws Global best practices from International leaders in Bureau technology. It also operates World's Largest Rural & Microfinance database, which is poised to be the next frontier of credit growth.

## **MICROSAVE**

---

**Micro Save** is an international financial inclusion consulting firm with 15 years of experience, operating in ten offices around the world, eight of which are in developing countries. Our mission is to strengthen the capacity of institutions to deliver market-led, scalable financial services to all people through guiding policy & facilitating partnerships to develop enabling eco-systems; comprehensive, customized strategic advice; and actionable, on-site operational assistance. They have worked in designing and implementing a variety of financial inclusion models.

**Kishma Khatun, 49 years**  
**Gopobandhupali, Rourkela**

Kishma Khatun has a family consisting her husband MD Karamat and seven children. Kishma and Karamat own an asbestos roofed house with mud floor and walls. This family of nine lives under one roof and all are depended on a single business that Karamat runs. Karamat has a business of selling toys and one of his sons helps him at shop. The business yielded a monthly



income of Rs. 2,000/- and Kishma had to meet all expenses of her family out of it. Borrowing from neighbours and local money lenders was the only hope in times of emergency and immediate need. This was something that Kishma always wanted to avoid and become financially self reliant. She came to know about the microfinance loans provided by SAMBANDH in her locality to other group members and decided to learn more about it. She attended a general meeting during which she was able to understand that by availing a micro loan and investing it in her husband's business she can increase her monthly income. More than that, she was happy to know that she was eligible to be a loan member of SAMBANDH.

Kishma became a member of Roshni group and availed her first loan on March 19<sup>th</sup>, 2013. After repaying it completely, she availed her second loan of Rs. 10,000/- and has presently availed Rs. 21,000/- as her third loan on March 22<sup>nd</sup>, 2015. Kishma and her husband were very particular about investing the amounts in their business. They got more stocks for their shop and increased the business gradually. Kishma now says that her income has increased from Rs. 2,000/- to Rs. 8,000/- per month and she is now able to manage her family in a better way. She proudly says that now in times of her need she does not have to borrow from anyone else but she herself is able to meet the needs. They are now able to do some seasonal businesses as well and make some additional income in addition to what they earn from the toy shop.

A happy Kishma asserts that the microfinance loan has come as a great source of hope to their business and income generating activities. She feels satisfied when she sees herself able to meet every essential requirement of her family. With the self confidence that Kishma has gained through the growth in her business, she now dreams for a concrete house in a good locality within the city.

## PRODUCTS OFFERED

Three main products are offered by SAMBANDH, namely Credit, Insurance and Micro-Pension. Credit is further provided only for the purpose of income generation.

- **Loan Product**

Type of Loan	SARAL & SUVIDHA
Loan Amount	5000- 25,000
Av. Loan Size (Rs.)	15,000
Credit Cycle	12 Months/ 24 Months
Repayment Frequency	Monthly

WATSAN Loans are special purpose loans and are given towards assistance for construction of toilet/sanitation system. It is managed centrally from the Corporate Office for both Rourkela and Rajgangpur areas. Till date more than 1,200 low cost sanitation systems have been constructed by the organization.

- **Insurance Product**

Description	Details
Insurance Product	Jana Shree Bima Yojana
Insurance Tie-Up	LIC
Insurance Premium Amount	100
Insurance Term	1 Year

The validity of 1 year covers the normal, accidental death case, full and partial disability.

- **Micro- Pension (NPS lite and UTI-RBPF)**

Product Details	
Aggregator	IIMPS
Year of Enrolment	2013

## DIRECTOR'S REPORT

To,  
The Members,  
Sambandh Finserve Private Limited,  
Jubilee villa, 1st floor, Plot No 7,  
Sindhi colony, Mission Hata,  
Rajgangpur, Orissa,  
India – 770017.

Dear Members,

The Directors have pleasure in presenting before you the Nineteenth Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2015.

### 1. FINANCIAL HIGHLIGHTS

Particulars Year Ended 31st March 2015	(Amount in Rupees)	
	2014-15	2013-14
Gross Income	81,892,816.73	44,502,897.39
Profit Before Interest and Depreciation	55,726,802.29	25,949,173.03
Finance Charges	43,380,024.00	17,901,356.00
Gross Profit	8,642,434.22	6,731,467.66
Provision for Depreciation	3,704,344.07	1,316,349.37
Net Profit Before Tax	8,642,434.22	6,731,467.66
Balance of Profit brought forward	3,830,229.87	2,438,386.21
Balance available for appropriation	4225497.22	3181701.66
Proposed Dividend on Equity Shares	2,700,000.00	2,700,000.00
Tax on proposed Dividend	540,000.00	458,865.00
Transfer to General Reserve	1,191,779.00	910,142.00
Surplus carried to Balance Sheet	1,527,114.22	481,701.66

## 2. PRESENT INDUSTRY SCENARIO

In 2014-15, the microfinance industry consolidated mainly due to the regulatory clarity. In the present scenario, the MFIs are required to adhere to specified guidelines on qualifying assets, indebtedness of the borrowers and loan pricing, among other things. MFIs are now communicating effectively with the regulator, through industry associations as well as individually. Most of the MFIs have adjusted their operating methodologies to operate sustainably within the constraints imposed by the regulator. RBI changed the margin and interest calculations method which has made the pricing cap calculations easier and will drive the industry towards lowering interest charges.

### Highlights:

- As of 31st March, 2015, MFIs provided microcredit to over 30.50 mn clients, an increase of 29% over fy13-14
- The aggregate gross loan portfolio (glp) of MFIs stood at Rs 401.38 bn (excluding non performing portfolio i.e. PAR > 180 days in Andhra Pradesh + SKS portfolio in AP, which together accounts for Rs 29 bn). This represents a YOY growth of 61% over fy13-14
- Annual disbursements (loan amount) in fy14-15 increased by 55% compared to fy13-14
- Total number of loans disbursed by MFIs grew by 37% in fy14-15 compared with fy13-14 reaching 33.43 mn
- Funding to MFIs ( in fy14-15) grew by 84% compared with fy13-14
- Portfolio at Risk (PAR) figures (PAR 30, 90, 180) remained under 1% for fy14-15
- Average loan amount disbursed per account is now Rs 16,327
- MFIs now cover 32 states/union territories (489 districts)
- MFIs' coverage is now geographically well dispersed with glp in south at 30%, east at 28%, north at 22% and west at 20%
- Productivity ratios for MFIs continued to improve. Glp per branch is now at Rs 38.03 mn, up by 49% over fy13-14
- Insurance (credit life) to over 36.36 mn clients with sum insured of Rs 670.50 bn was extended through MFI network
- Pension accounts were extended to over 1.87 mn clients through MFI network

### 3. SHARE CAPITAL

As on March 31, 2015 the authorized Capital of SFPL was Rs. 11,00,00,000/- (Rupees Eleven Crores only) divided into 80,00,000 (Eighty Lakhs Only) equity shares of Rs. 10/- (Rupees Ten Only) each, and 30,00,000 (Thirty lakhs Only) Optionally convertible Preference shares of Rs. 10/- (Rupees Ten Only) each.

The paid up share capital of SFPL is Rs. 90,784,469/- (Rupees Nine Crores Seven lakhs Eighty Four Thousand Four Hundred Sixty Nine Only) divided into 6,078,469 (Six Crores Seventy Eight Thousand Four Hundred Sixty Nine Only) equity shares of Rs. 10/- (Rupees Ten Only) each, and 30,00,000 (Thirty lakhs Only) paid up Optionally convertible Preference shares of Rs. 10/- (Rupees Ten Only) each.

### 4. DIRECTORS

DIN/PAN	FULL NAME	PRESENT RESIDENTIAL ADDRESS	DESIGNATION	DATE OF APPOINTMENT
01502243	DEEPAK KINDO	PLOT NO.7 SINDHI COLONY, RAJGANGPUR, ROURKELA, RAJGANGPUR, 770017, ORISSA, INDIA	MANAGING DIRECTOR	12/03/2009
02255028	PRASAD KUCHIBHATLA	FLAT NO 21, 11 MIDDLETON ROW, NEW ASIATIC MANSIONS, KOLKATA, 700071, WEST BENGAL, INDIA	DIRECTOR	17/09/2010
02541650	LIVINUS KINDO	JUBILEE VILLA,PLOT NO-7,SINDHI COLONY, MISSION HATA,RAJGANGPUR, ROURKELA, 770017, ORISSA, INDIA	DIRECTOR	21/04/2009
02541689	DIBYA LOCHAN JENA	RAJGANGPUR, MASTER COLONY, RAJGANGPUR, 770017, ORISSA, INDIA	DIRECTOR	21/04/2009
02594965	PRABAL KUMAR SEN	QTRS 103, XLRI CAMPUS, CH AREA(EAST), JAMSHEDPUR, 831001, JHARKHAND, INDIA	DIRECTOR	17/09/2010
02723687	SAURABH BAROI	HOUSE NO. S-303, SISPAL VIHAR,, AWHO SOCIETY, SECTOR - 49,, GURGAON, 122018, HARYANA, INDIA	NOMINEE DIRECTOR	14/04/2010
06727939	SUBHRANSU SEKHAR ACHARYA	SUBHRANSU SEKHAR ACHARYA, SIDBI,4TH FLOOR,OCHC BUILDING,RAM MANDIR, BHUBANESWAR, 751001, ORISSA, INDIA	NOMINEE DIRECTOR	23/09/2013

## 5. NUMBER OF BOARD OF DIRECTOR'S MEETING

SL. NO.	DATE OF BOD'S MEETING	DIRECTOR'S PRESENT
01	21/06/2014	<ol style="list-style-type: none"> <li>1. Sri. Livinus Kindo I.A.S (Rtd.) Chairman, SFPL</li> <li>2. Sri. Deepak Kindo, MD, SFPL</li> <li>3. Sri. Dibyalochan Jena, Director, SFPL</li> <li>4. Sri. Subhranshu Acharya , Nominee Director, SIDBI</li> <li>5. Sri. Prabal Kumar Sen, Independent Director, SFPL</li> <li>6. Sri. Saurabh Baroi, Nominee Director, DIA VIKAS</li> <li>7. Sri. Kuchibhatla Prasad, Independent Director, SFPL</li> </ol>
02	31.07.2014	<ol style="list-style-type: none"> <li>1. Sri. Livinus Kindo I.A.S (Rtd.) Chairman, SFPL</li> <li>2. Sri. Deepak Kindo, MD, SFPL</li> <li>3. Sri. Dibyalochan Jena, Director, SFPL</li> <li>4. Sri. Subhranshu Acharya , Nominee Director, SIDBI</li> <li>5. Sri. Prabal Kumar Sen, Independent Director, SFPL</li> <li>6. Sri. Saurabh Baroi, Nominee Director, DIA VIKAS</li> <li>7. Sri. Kuchibhatla Prasad, Independent Director, SFPL</li> </ol>
03	06/09/2014	<ol style="list-style-type: none"> <li>1. Sri. Livinus Kindo I.A.S (Rtd.) Chairman, SFPL</li> <li>2. Sri. Deepak Kindo, MD, SFPL</li> <li>3. Sri. Dibyalochan Jena, Director, SFPL</li> <li>4. Sri. Subhranshu Acharya , Nominee Director, SIDBI</li> <li>5. Sri. Prabal Kumar Sen, Independent Director, SFPL</li> <li>6. Sri. Saurabh Baroi, Nominee Director, DIA VIKAS</li> <li>7. Sri. Kuchibhatla Prasad, Independent Director, SFPL</li> </ol>
04	08/12/2014	<ol style="list-style-type: none"> <li>1. Sri. Livinus Kindo I.A.S (Rtd.) Chairman, SFPL</li> <li>2. Sri. Deepak Kindo, MD, SFPL</li> <li>3. Sri. Subhranshu Acharya , Nominee Director, SIDBI</li> <li>4. Sri. Prabal Kumar Sen, Independent Director, SFPL</li> <li>5. Sri. Saurabh Baroi, Nominee Director, DIA VIKAS</li> <li>6. Sri. Kuchibhatla Prasad, Independent Director, SFPL</li> </ol>
05	20/03/2015	<ol style="list-style-type: none"> <li>1. Sri. Livinus Kindo I.A.S (Rtd.) Chairman, SFPL</li> <li>2. Sri. Deepak Kindo, MD, SFPL</li> <li>3. Sri. Subhranshu Acharya , Nominee Director, SIDBI</li> <li>4. Sri. Saurabh Baroi, Nominee Director, DIA VIKAS</li> <li>5. Sri. Kuchibhatla Prasad, Independent Director, SFPL through teleconferencing.</li> </ol>

## **6. DIRECTOR'S RESPONSIBILITY STATEMENT**

### **(a) Adherence to applicable Accounting Standards:**

In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.

### **(b) Selection and Application of Accounting Policies.**

The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period.

### **(c) Safeguarding the assets of the company.**

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.

### **(d) Going concern basis.**

The directors had prepared the annual accounts on a going concern basis.

## **7. RESERVATION AND QUALIFICATION ON AUDITOR REPORT**

There is no qualification reservation made by the Auditors in their report which is self explanatory and attached to this report.

## **8. LOANS AND GUARANTEE UNDER SECTION 186**

The Company has not given any loan nor provided any guarantee to any entity coming under the purview of provisions of Section 186 of the Companies Act, 2013.

## 9. PARTICULAR OF CONTRACT AND ARRANGEMENT UNDER SECTION 188

Details of contracts or arrangements or transactions not at arm's length basis		Details of material contracts or arrangement or transactions at arm's length basis	
Name(s) of the related party and nature of relationship	Nil	Name(s) of the related party and nature of relationship	NA
Nature of contracts/ arrangements/transactions	Nil	Nature of contracts/ arrangements/transactions	NA
Duration of the contracts / arrangements/transactions	NA	Duration of the contracts / arrangements/transactions	NA
Salient terms of the contracts or arrangements or transactions including the value, if any	NA	Salient terms of the contracts or arrangements or transactions including the value, if any	NA
Justification for entering into such contracts or arrangements or transactions	NA	Date(s) of approval by the Board, if any	NA
Date(s) of approval by the Board	NA	Amount paid as advances, if any	NIL
Amount paid as advances, if any	Nil		
Date on which the special resolution was passed in general meeting as required under first proviso to section 188	NA		

## 10. STATE OF THE COMPANY'S AFFAIRS

Your Company during FY 2013-14, consolidated its operations which remained robust in terms of operational outreach, processes, technology and human resources. This has resulted in steady and stable growth and improvement in operating efficiencies. The Company, during the year added around 16,887 new borrowers and also opened 9 new branches in the States of Odisha, Jharkhand and Chhattisgarh. While the employee strength increased to 174 from 72 during the year, which was mainly the frontline field staff level, there has been no change in the senior management team of the company.

The Company has put in place a strong system of thoroughly scrutinizing all loan applications so as to ensure that loan sanctions are given only to such clients who do not have multiple borrowings from MFIs, are not over indebted and are not defaulting borrowers. The Company thus has ensured to be compliant as per RBI guidelines. Your Company has maintained high asset quality throughout the year. The Company's IT system continues to evolve under the online e-FIMO software and in its ability to provide live operational information.

Your Company's organizational highlights for FY 2014-2015 are as follows:

Year Ended	2015	2014
Branches	8	7
Districts	5	5
Centres	1,169	1,437
Active Borrowers	35,058	20,583
Loans Disbursed( Rs. Cr)	37.38	18.71
Portfolio Outstanding( Rs. Cr)	37.19	19.65
Total Employees	174	72

#### 11. RESERVE

The Company has adequate Reserve and Surplus and total Reserve at the beginning of the year was Rs. 38.30 Lakhs and during the year an amount of Rs. 29.32 Lakhs was transferred to reserve Account making the total Reserve Rs.67.62 Lakhs

#### 12. DIVIDEND

Keeping in mind the future projections of the company and as also the company has made a marginal profit, the directors of your company do not recommend any dividend on equity shares. However, the preference dividend of Rs. 2,700,000.00 is declared on the OCPS invested by SIDBI. The said payout of dividend is in accordance and compliance with the share Holders Agreement signed with SIDBI on 07 December, 2012, and the terms and conditions of sanction vide letter SIDBI/337/SFPL/IMEF dated 21 September, 2012 and subject to provisions of Companies Act, 2013.

#### 13. MATERIAL CHANGES

There is no significant material changes between the end of the Financial year and the date of signing of this report except that the borrowing of Rs.16.00 crores made by the company in the intermittent Period.

#### 14. CONSERVATION OF ENERGY. TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE

**Conservation of energy:** Since the company is not in energy intensive industry the particulars as prescribed the Companies Act, 2013, read with the rules made there under are not set out in the report. Nevertheless the company is taking adequate steps to conserve energy.

**Technology Absorption:** The Company has put in all efforts to use the latest technology.

**Foreign Exchange earnings and outgo:** During the year under review there was no earning or expenses in foreign exchange.

#### **15. RISK MANAGEMENT POLICY**

Your company is guided by its mission to deliver financial and credit services to women from low income households in urban and rural areas. Your vision is to be a financially sustainable microfinance institution for the poor.

The Risk Management framework lays down the governance structure supporting the identification, assessment, monitoring, reporting and mitigation of risk throughout the organisation. The Risk management framework also comprises high level implementation guidelines which would form the basis for individual risk specific policies detailing implementation of risk management practices in detail.

#### **16. CORPORATE SOCIAL RESPONSIBILITY POLICY AND ITS IMPLEMENTATION**

Even Though CSR is not applicable to the company, we have taken active initiative through our corporate objective to highlight development of social sector which were as follows. The Company initiated programs on financial literacy, client awareness on health and sanitation in the field operations with support from RRDC. These programs have had a strong impact in generating awareness among the customer segment. Water and sanitation: lot many households were supported by way of loans to construct sanitation units which has ensured a safe and hygienic sanitation system to them. Life Insurance: the loan members and non loan members are insured with micro life and health insurance policies. National Pension Scheme: members are enrolled under the universal pension scheme NPS Savalamban Lite of the Government of India.

#### **17. DIRECTORS/KMP APPOINTED/RESIGNED DURING THE YEAR**

During the Year under review, there was no appointment or resignation of Directors or KMP made by the company. The Board is duly constituted.

#### **18. DETAILS OF SUBSIDIARY/ JOINT VENTURES/ ASSOCIATE COMPANIES**

The Company neither has any subsidiary nor any Associate company as on date.

## **19. DEPOSITS**

The company has not accepted any deposits as defined under the provisions of the companies Act and rules made there under from the public and hence there are no unclaimed or unpaid deposits.

## **20. SIGNIFICANT AND MATERIAL ORDERS PASSED**

There is no significant material order passed by any Authority under any law affecting the affairs of the company. There is also no litigation pending against the company as on date.

## **21. ADEQUACY OF INTERNAL FINANCIAL CONTROLS**

The Company has adequate internal control system commensurating it's size and Busines. The International Audit Depart of the company takes care of internal control system and reports to Audit Committee about deviation, if any, and remedial measure for improvement. The System is also monitored by the board regularly.

## **22. ESTABLISHMENT OF VIGIL MECHANISM**

The Company is not coming under purview Vigil Mechanism as defined under the Companies Act, 2013 and hence not implemented it. However, the internal audit department is careful about any possible wrongdoing and always ready to report it to the top management.

## **23. REVISION OF FINANCIAL STATEMENT OR BOARD REPORT**

There is no need of any financial statement revision as prescribed under Income Tax Act during the last financial year.

## **24. AUDIT COMMITTEE**

The Board of Directors has constituted one Audit Committee even though it was not mandatory for the company. The Committee consists of Two Independent Directors namely Mr. K. Prasad, Prof. Prabal Sen along with the Managing Director. The Committee sits regularly and reviews the Audit Programme and it's findings. The Committee also forms policies and guidelines for implementation of Internal Audit. The committee submits it's report to the Board of Directors.

## **25. NOMINATION AND REMUNERATION COMMITTEE**

In terms of the provisions of the Companies Act, 2013 the company is not required to constitute any Nomination and Remuneration Committee. However, the company has a HR Department which takes care of all appointment and remuneration matters.

## **26. CORPORATE GOVERNANCE**

Your Company is committed to best practices in corporate governance and recognizes that transparency, ethical behaviour, integrity and protection of the interests of all the Stakeholders form the keystones of the Governance. As per the Guidelines on Corporate Governance for Non-Banking Financial (Non - Deposit Accepting or Holding) issued by the RBI, the Company has had an Audit Committee to ensure strong internal controls and corporate reporting systems including financial reporting in pursuance with provisions of Companies Act, 2013.

To facilitate better corporate governance the Board is constituted with Independent Directors with diverse experience and constituted various committees for timely compliance.

Internal Control System: The Company's internal control system comprises audit and compliance by in-house Internal Audit Division. The Internal Auditors independently evaluate the adequacy of internal controls and concurrently audit the majority of the transactions in value terms of Independence of the audit and compliance is ensured by the direct reporting of Internal Audit Division and Internal Auditors to the Audit Committee of the Board.

## **ACKNOWLEDGEMENT**

SFPL Directors thank the customers, vendors and bankers for their support to your company's growth. SFPL Directors also wish to place on record their sincere appreciation of the devoted and efficient services rendered by all the concerned people of the company. We are also thankful to the Government of Orissa and local Authorities for their continued co-operation and support at all times.

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

**Place:** Rajgangpur  
**Date:** 08-08-2015

**Chairman**

# ANNEXURES TO DIRECTOR'S REPORT

## ANNEXURE-I EXTRACT OF THE ANNUAL RETURN IN THE FORM MGT-9

<p>Form No. MGT-9</p> <p>EXTRACT OF ANNUAL RETURN</p> <p>As on the financial year ended on 31/03/2015</p> <p>[Pursuant to Section 92(3) of the Companies Act, 2013</p> <p>and</p> <p>Rule 12(1) of the Companies (Management and Administration) Rules, 2014]</p>	
---	--

i)	<b>CIN:</b>	U67120OR1996PTC011931
ii)	<b>Registration Date [DDMMYY]</b>	03/07/1996
iii)	<b>Name of the company</b>	SAMBANDH FINSERVE PRIVATE LIMITED
	<b>Category/ Sub Category of the Company</b>	1. Public Company 2. Private Company <input checked="" type="checkbox"/>
iv)	<b>ADDRESS OF REGISTERED OFFICE OF COMPANY:</b>	
	<b>Company Name</b>	SAMBANDH FINSERVE PRIVATE LIMITED
	<b>Address</b>	
	<b>Town / City</b>	JUBILEE VILLA, 1ST FLOOR, PLOT NO 7, SINDHI COLONY, MISSION HATA, RAJGANGPUR
	<b>State</b>	ODISHA

	<b>Pin Code:</b>	770017
	<b>Country Name :</b>	INDIA
	<b>Country Code</b>	IN
	<b>Telephone (With STD Area Code Number)</b>	+91 9776647007 +91 6612664108
	<b>Fax Number :</b>	
	<b>Email Address</b>	contactus@sambandhfin.com
	<b>Website</b>	www.sambandhfin.com
	<b>Vii) Whether listed Company Yes/No</b>	NO
	<b>Name of the Police Station having jurisdiction where the registered office is situated</b>	RAJGANG PUR
	<b>Address for correspondence, if different from address of registered office:</b>	NA
Vii)	<b>Name and Address of Registrar &amp; Transfer Agents ( RTA ):- Full address and contact details to be given.</b>	
	<b>Registrar &amp; Transfer Agents ( RTA ):-</b>	NA
	<b>Address</b>	
	<b>Town / City</b>	
	<b>State</b>	
	<b>Pin Code:</b>	
	<b>Telephone (With STD Area Code Number)</b>	
	<b>Fax Number :</b>	
	<b>Email Address</b>	

**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)**

<b>SN</b>	<b>Name and Description of main products / services</b>	<b>NIC Code of the Product/service</b>	<b>% to total turnover of the company</b>
1	Monetary Intermediation . NBFC MFI	651	100

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES** [No. of Companies for which information is being filled]

S. No	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY / ASSOCIATE
1	NA		

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2014]				No. of Shares held at the end of the year[As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter s</b>									
(1) Indian									
a) Individual/ HUF	-	31,00,000	31,00,000	55.36	-	31,00,000	31,00,000	51	-4.36%
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A)</b>	-	31,00,000	31,00,000	55.36	-	31,00,000	31,00,000	51	-4.36%
<b>B. Public Shareholding</b>									

1. Institutions		2500000	2500000	44.64		2978469	2978469	49	+4.36%
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)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	-	2500000	2500000	44.64	-	2978469	2978469	49	+4.36%
<b>2. Non-Institutions</b>									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-

ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	-	-	-	-	-	-	-	-	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	-	-	-	-	-	-	-	-	-
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	-	5600000	5600000	100		6078469	6078469	100	8.54

B) Shareholding of Promoter-

SN	Shareholder's Name	Shareholding at the beginning of the year			Share holding 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. Deepak Kindo	395000	7.05	-	395000	6.50	-	0.55
2	Mr. Livinus Kindo	318000	5.68	-	318000	5.23	-	0.45
3	Mr. Dibyalochan Jena	60000	1.07	-	60000	0.99	-	0.08
4	Mrs. M. M. Kindo	77000	1.38	-	77000	1.27	-	0.11
5	Mr. Alok Tirkey	2250000	40.18	-	2250000	37.02	-	3.16

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

SN	01	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	31,00,000	55.36	31,00,000	51.00
	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):				
	At the end of the year	31,00,000	55.36	31,00,000	51.00

D) Shareholding Pattern of top ten Shareholders:

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

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	5600000	100	5600000	100
	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):			478469 on 26.03.2015	
	At the end of the year	5600000	100	6078469	100

E) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	395000	7.05	395000	6.50
	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):				
	At the end of the year	395000	7.05	395000	6.50

F) INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>	169181109.00	14717819.00	-	183898928.00
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	320732	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	169501841.00	14717819.00	-	184219660
<b>Change in Indebtedness during the financial year</b>				
* Addition	-	-	-	-
* Reduction	-	-	-	-
<b>Net Change</b>	-	-	-	-
<b>Indebtedness at the end of the financial year</b>	402940075.00	10451744.00		413391819.00
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	1749875.00	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	404689950.00	10451744.00	-	415141694.00

## V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager Mr. Deepak Kindo	Total Amount
	Managing Director's Remuneration		
1	Gross salary		421167.00
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		180000
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961		-
2	Stock Option		-
3	Sweat Equity		-
4	Commission - as % of profit - others, specify...		-
5	Others, please specify		
	Total (A)		-
	Ceiling as per the Act		601167.00

### B. Remuneration to other directors

SN.	Particulars of Remuneration	Name of Directors				Total Amount
		----	---	---	---	---
1	Independent Directors					
	Fee for attending board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-

	Others, please specify	-	-	-	-	-
	Total (1)	-	-	-	-	-
2	Other Non-Executive Directors					
	Fee for attending board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	-	-	-	-	-
	Total Managerial Remuneration	-	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-	-

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-

	- as % of profit	-	-	-	-
	others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	-	-	-	-

VI. 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)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

**ANNEXURE-II**  
**STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS UNDER SUB-SECTION**  
**(6) & (10) OF SECTION 149**

To,

The Board of Directors  
Sambandh Finserve Private Limited  
Jubilee Villa, 1st floor, plot no 7  
Sindhi colony, mission hata  
Rajgangpur, orissa  
India – 770017

Dear Sirs,

**Re: Declaration by Independent Director**

I hereby certify that I am holding the position on the Board of **Sambandh Finserve Private Limited** as an Independent Director. I further certify that I meet all the requirements specified under sub section 6 of Section 149 of Companies Act, 2013 and Clause 49 of Listing Agreement with the Stock Exchanges, for holding the position of Independent Director.

Signature \_\_\_\_\_

Dated \_\_\_\_\_

Name : **PRASAD KUCHIBHATLA**

To,  
The Board of Directors  
Sambandh Finserve Private Limited  
Jubilee villa, 1st floor, plot no 7  
Sindhi Colony, Mission Hata  
Rajgangpur, Orissa  
India – 770017

Dear Sirs,

**Re: Declaration by Independent Director**

I hereby certify that I am holding the position on the Board of **Sambandh Finserve Private Limited** as an Independent Director. I further certify that I meet all the requirements specified under sub section 6 of Section 149 of Companies Act, 2013 and Clause 49 of Listing Agreement with the Stock Exchanges, for holding the position of Independent Director.

Signature \_\_\_\_\_

Dated \_\_\_\_\_

Name : **PRABAL KUMAR SEN**

# **AUDITOR'S REPORT**

## **Independent Auditor's Report**

**To the Members of**

**SAMBANDH FINSERVE PRIVATE LIMITED.**

### **Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of SAMBANDH FINSERVE PRIVATE LIMITED. ('The Company'), which comprises the balance sheet as at 31 March 2015, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Standalone 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 and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 standalone 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 there under.

We conducted our audit 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 disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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 standalone financial statements.

## **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 31 March 2015 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 the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143 (3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion proper books of account as required by law have been kept by the Company as far as it appears from our examination of those books;
- c. The Balance Sheet, the statement of profit and loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. In our opinion the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies Accounts Rules 2014;
- e. On the basis of the written representatives received from the Director's as on 31<sup>st</sup> March 2015 taken on record by the Board of Director's, none of the director is disqualified as on 31<sup>st</sup> March 2015 from being appointed as a Director in terms of Section 164 (2) of the Act; and
- f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. As per records of the company and the information and explanations given to us by the management, Company is not dealing or trading in shares, securities, debenture and other investments.

- ii. According to the information and explanation given to us and on an overall examination of the balance sheet of the company, we report that no fund raised on short-term basis have been used for long-term investment by the company.
- iii. The Company being a private company has not raised any money by public issue.

**Place: Bhubaneswar**

**Date: 30<sup>th</sup> June 2015**

**For M/s N. GAHAN & ASSOCIATES**

**(Chartered Accountants)**

**Firm Regd. No-326078E**

**CA. N. Gahan FCA**

**Partner**

**Mem No.079100**

## **ANNEXURE TO AUDITOR'S REPORT**

### **SAMBANDH FINSERVE PVT. LTD**

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2015, we report that:

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
  
(b) As explained to us, the fixed assets have been physically verified by the Management in phased periodic manner, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies have been noticed on such verification  
  
(c) Fixed assets disposed off during the year were not substantial, and therefore, don't affect the going concern assumption.
2. The company is a Non Banking Finance Company and does not has any Inventory.
3. (a) As information to us the Company has not granted any loan, Secured or Unsecured to companies, firms or other parties during the year covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Except amount paid towards advance for purchases of immovable assets.  
  
(b) As informed to us the company has not taken any loan, secured or unsecured from companies, firms or other parties covered in the register maintained under section 189 of the Companies Act-2013.  
  
(c) There are no overdue amounts of more than rupees one lakh in respect of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act.
4. In our opinion and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchases of fixed assets and rendering services. During the course of our audit, we have

not observed any continuing failure to correct major weakness in the internal control system. However the internal control mechanism needs to be further strengthened in are a pertaining to loan portfolio MIS.

5. Based on our scrutiny of the companies Records and according to the information and explanation provide by the management , in our opinion , the company has not accepted any loans or deposits which are deposits within the meaning of rule 2(b) of the Companies Act-1975.
6. The Company is not a manufacturing Company and hence it does not require keeping any cost records U/S 148(1) of the Act, for the products of company.
7. a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, Cess and other material statutory dues were in arrears as at 31 March 2015 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no material dues of wealth tax, duty of customs, Income Tax, Sales Tax and Cess which have not been deposited with the appropriate authorities on account of any dispute.

(c) According to the information and explanations given to us the amounts which were required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 2013 and rules there under has been transferred to such fund within time.

8. The company has no accumulated losses at the end of the financial year and has incurred cash profit of 1, 41,00,967.00 during the financial year covered by our audit and in the immediately preceding financial year.
9. Based on our examination and on the information and explanations given by the management we are of the opinion that the company has not defaulted in repayment of dues to financial institutions or banks.
10. In our opinion and according to the information and explanations given to us, the Company has not given guarantee for loans taken by its sister concern from banks or financial institutions.
11. Based on information and explanation given to us by the management, term loans were applied for the purpose for which the loans were obtained , though idle/ surplus funds which were not required for immediate utilization have been gainfully invested in liquid assets payable on demand.
12. Based upon the audit procedures performed and information and explanations given by the management, we report that, no material fraud on or by the Company has been noticed or reported during the course of our audit.

**For M/s N. GAHAN & ASSOCIATES**

**(Chartered Accountants)**

**Firm Regd. No-326078E**

**Place: Bhubaneswar**

**Date: 30<sup>th</sup> June 2015**

**CA. N. Gahan FCA**

**Partner**

**Mem No.079100**

# BALANCE SHEET AS AT 31<sup>st</sup> MARCH 2015

SAMBANDH FINSERVE PRIVATE LIMITED  
JUBILEE VILLA, PLOT NO-7, SINDHI COLONY, MISSION HATA  
RAJGANGPUR-770017, SUNDERGARH

Balance Sheet as at 31st March 2015				(Amount in INR )	
Particulars		Note No.	As at 31st March 2015	As at 31st March 2014	
1		2	3	4	
<b>I.</b>	<b>EQUITY AND LIABILITIES</b>				
<b>1</b>	<b>Shareholders' funds</b>				
	(a) Share capital	1	9,07,84,690.00	8,60,00,000.00	
	(b) Reserves and surplus	2	67,62,413.09	38,30,229.87	
<b>2</b>	<b>Share application money pending allotment</b>		-	-	
<b>3</b>	<b>Non-current liabilities</b>				
	(a) Long-term borrowings	3	12,96,35,974.00	6,81,20,373.00	
	(b) Deferred tax liabilities (Net)		-	-	
	(c) Other Long term liabilities		-	-	
	(d) Long-term provisions	4	37,19,292.00	19,65,103.00	
<b>4</b>	<b>Current Liabilities</b>				
	(a) Short-term borrowings	5	28,56,39,931.00	11,76,64,277.00	
	(b) Trade payables		-	-	
	(c) Other current liabilities	6	1,85,50,780.38	8,35,382.06	
	(d) Short-term provisions	7	78,75,309.00	58,48,413.00	
	<b>TOTAL</b>		<b>54,29,68,389.47</b>	<b>28,42,63,777.93</b>	
<b>II.</b>	<b>ASSETS</b>				
	<b>Non-Current Assets</b>				
<b>1</b>	(a) <u>Fixed Assets</u>	<b>8</b>			
	(i) Tangible assets		43,91,618.59	25,01,894.66	
	(ii) Intangible assets		-	-	
	(iii) Capital work-in-progress		-	-	
	(iv) Intangible assets under development		-	-	
	(b) Non-current Investments	9	7,19,50,000.00	3,35,00,000.00	
	(c) Deferred tax assets (net)	23	4,78,740.00	-	
	(d) Long-term loans and advances	10	12,23,78,405.00	5,96,24,286.00	
	(e) Other non-current assets	11	33,34,372.00	37,55,872.00	
<b>2</b>	<b>Current Assets</b>				
	(a) Current investments	12	5,13,36,389.00	13,36,389.00	

(b)	Inventories		-	-
(c)	Trade receivables		-	-
(d)	Cash and cash equivalents	13	2,30,44,946.46	4,22,90,614.85
(e)	Short-term loans and advances	14	25,59,59,660.00	13,93,41,482.00
(f)	Other current assets	15	1,00,94,258.42	19,13,239.42
	<b>TOTAL</b>		<b>54,29,68,389.47</b>	<b>28,42,63,777.93</b>

**For N. Gahan & Associates  
(Chartered Accountants)  
Regn No.326078E**

**For & on behalf of the Board of Directors of  
Sambandh Finserve Pvt. Ltd.**

**CA. N.Gahan FCA  
Partner  
Memb No.079100**

**DIRECTOR      MANAGING DIRECTOR**

**Place : Bhubaneswar  
Date : 30th June 2015**

# PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31.03.2015

**SAMBANDH FINSERVE PRIVATE LIMITED**  
**JUBILEE VILLA, PLOT NO-7,SINDHI COLONY,MISSION HATA**  
**RAJGANGPUR-770017, SUNDERGARH**

Statement of Profit & loss for the year ended 31st March 2015 (Amount in INR )

Particulars	Note No.	For the year ended 31st March 2015	For the year ended 31st March, 2014
<b>Income:</b>			
I. Revenue From Operations	16	7,31,49,898.81	4,21,74,751.44
II. Other income	17	87,42,917.92	23,28,145.95
<b>III. Total Revenue (I + II)</b>		<b>8,18,92,816.73</b>	<b>4,45,02,897.39</b>
<b>IV. Expenses:</b>			
Employee benefits expense	18	1,33,50,924.00	95,15,748.00
Finance costs	19	4,33,80,024.00	1,79,01,356.00
Depreciation and amortization expense	20	37,04,344.07	13,16,349.37
Provision for loan loss	21	17,54,189.00	15,94,484.00
Miscellaneous Expenditure Written-off		-	-
Other expenses	22	1,10,60,901.44	74,43,492.36
<b>Total expenses</b>		<b>7,32,50,382.51</b>	<b>3,77,71,429.73</b>
<b>v. Profit before exceptional and extraordinary items and tax (III-IV)</b>		<b>86,42,434.22</b>	<b>67,31,467.66</b>
VI. Exceptional items		-	-
<b>VII. Profit before extraordinary items and tax (V - VI)</b>		<b>86,42,434.22</b>	<b>67,31,467.66</b>
VIII. Extraordinary Items		-	-
<b>IX. Profit before tax (VII- VIII)</b>		<b>86,42,434.22</b>	<b>67,31,467.66</b>
<b>X. Tax expense:</b>			
(1) Current tax		31,51,272.00	21,77,609.00
(2) Additional Income Tax Provision FY 2013-14		13,030.00	1,550.00
(3) Additional Dividend Tax Provision FY 2013-14		-	1,600.00
(2) Deferred tax	23	-4,78,740.00	-
<b>XI. Profit/(Loss) for the period from continuing operations (IX - X)</b>		<b>59,56,872.22</b>	<b>45,50,708.66</b>
XII. Profit/(loss) from discontinuing operations		-	-

XIII.	Tax expense of discontinuing operations	-	-
XIV.	<b>Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)</b>	-	-
XV.	<b>Profit (Loss) for the period (XI + XIV)</b>	<b>59,56,872.22</b>	<b>45,50,708.66</b>
	<b>Add/(Less): Excess/Short Provision for Income tax for earlier year</b>	-	-
	<b>Add/(Less): Differed tax for earlier year</b>	-	-
	<b>Add: Prior Period Income</b>	-	-
		<b>59,56,872.22</b>	<b>45,50,708.66</b>
	Special Reserve under 451C of RBI Act,1934:- 20% Profit/ loss (XV)	11,91,375.00	9,10,142.00
	Provision for preference Dividend for SIDBI (9%)	27,00,000.00	27,00,000.00
	Provision for dividend Tax ( U/s-115-O )(19.99412%)	5,40,000.00	4,58,865.00
	Profit/ Loss transferred to Reserve & Surplus	15,25,497.22	4,81,701.66
XVI.	<b>Earnings per Equity Share:</b>		
	Basic & Diluted	1.17	0.81

**For M/s N. GAHAN & ASSOCIATES  
(Chartered Accountants)  
Firm Regd. No-326078E**

**For & on Behalf of the Board of  
Director's of  
SAMBANDH FINSERVE PRIVATE LTD**

**CA. N. Gahan FCA  
Partner  
Mem No.079100**

**DIRECTOR      MANAGING DIRECTOR**

**Place: Bhubaneswar  
Date: 30<sup>th</sup> June 2015**

**Note 1.****(Amount in INR )**

Share Capital	As at 31st March 2015		As at 31st March 2014	
	Number	Amount (Rs.)	Number	Amount(Rs.)
<b><u>Authorised</u></b>				
Preference shares of Rs.10/- each	30,00,000	3,00,00,000.00	30,00,000	3,00,00,000.00
Class-A Equity Shares of Rs.10/- each	45,00,000	4,50,00,000.00	40,00,000	4,00,00,000.00
Class-B Equity Shares of Rs.10/- each	35,00,000	3,50,00,000.00	20,00,000	2,00,00,000.00
<b>TOTAL</b>	<b>1,10,00,000</b>	<b>11,00,00,000.00</b>	<b>90,00,000</b>	<b>9,00,00,000.00</b>
<b><u>Issued</u></b>				
Preference shares of Rs.10/-each	30,00,000	3,00,00,000.00	30,00,000	3,00,00,000.00
Class-A Equity Shares of Rs.10/- each	29,78,469	2,97,84,690.00	25,00,000	2,50,00,000.00
Class-B Equity Shares of Rs.10/- each	31,00,000	3,10,00,000.00	31,00,000	3,10,00,000.00
<b>TOTAL</b>	<b>90,78,469</b>	<b>9,07,84,690.00</b>	<b>86,00,000</b>	<b>8,60,00,000.00</b>
<b><u>Subscribed &amp; Fully Paid-up</u></b>				
Preference shares of Rs.10/-each	30,00,000	3,00,00,000.00	30,00,000	3,00,00,000.00
Class-A Equity Shares of Rs.10/- each	29,78,469	2,97,84,690.00	25,00,000	2,50,00,000.00
Class-B Equity Shares of Rs.10/- each	31,00,000	3,10,00,000.00	31,00,000	3,10,00,000.00
<b><u>Subscribed but not fully Paid up</u></b>				
Preference shares of Rs.10/- each	-	-	-	-
Class-A Equity Shares of Rs.10/-each	-	-	-	-
Class-B Equity Shares of Rs.10/- each	-	-	-	-
<b>TOTAL</b>	<b>90,78,469</b>	<b>9,07,84,690.00</b>	<b>86,00,000</b>	<b>8,60,00,000.00</b>

**Note 1-a**

Particulars	Preference Shares			
	As at 31st March 2015		As at 31st March 2014	
	Number	Amount(Rs.)	Number	Amount(Rs.)
Shares outstanding at the beginning of the period	30,00,000	3,00,00,000.00	30,00,000	3,00,00,000.00
Shares Issued during the period	-	-	-	-
Shares bought back during the period	-	-	-	-

Any other movement	-	-	-	-
Shares o/s at the end of the period	30,00,000	3,00,00,000.00	30,00,000	3,00,00,000.00

Particulars	Class-A Equity Shares			
	As at 31st March 2015		As at 31st March 2014	
	Number	Amount(Rs.)	Number	Amount(Rs.)
Shares outstanding at the beginning of the period	25,00,000	2,50,00,000.00	25,00,000	2,50,00,000
Shares Issued during the period	4,78,469	47,84,690.00	-	-
Shares bought back during the period	-	-	-	-
Any other movement	-	-	-	-
Shares outstanding at the end of the period	29,78,469	2,97,84,690.00	25,00,000	2,50,00,000.00

Particulars	Class-B Equity Shares			
	As at 31st March 2015		As at 31st March 2014	
	Number	Amount(Rs.)	Number	Amount(Rs.)
Shares outstanding at the beginning of the period	31,00,000	3,10,00,000	31,00,000	3,10,00,000
Shares Issued during the period	-	-	-	-
Shares outstanding at the end of the period	31,00,000	3,10,00,000	31,00,000	3,10,00,000.00

#### Note 1-b

Name of Shareholder	Preference Shares			
	As at 31st March 2015		As at 31st March 2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
SIDBI (Optionally Convertible Preference Share)	30,00,000	100.00	30,00,000	100.00

Name of Shareholder	Class-A Equity Shares			
	As at 31st March 2015		As at 31st March 2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Dia Vikas Capital Private Limited	29,78,469	49.00	25,00,000	44.64
<b>TOTAL</b>	<b>29,78,469</b>	<b>49.00</b>	<b>25,00,000</b>	<b>44.64</b>

Name of Shareholder	Class-B Equity Shares			
	As at 31st March 2015		As at 31st March 2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr. Deepak Kindo	3,95,000	6.50	3,95,000	7.05
Mr. Livinus Kindo	3,18,000	5.23	3,18,000	5.68
Mr. Dibyalochan Jena	60,000	0.99	60,000	1.07
Mrs. M. M. Kindo	77,000	1.27	77,000	1.38
Mr. Alok Tirkey (Friends of Sambandh Trust)	22,50,000	37.02	22,50,000	40.18
<b>TOTAL</b>	<b>31,00,000</b>	<b>51.00</b>	<b>31,00,000</b>	<b>55.36</b>

**Note1-c**

Particulars	Aggregate No. of Shares (for last 5 Financial Years)
<b>Preference Shares :</b>	
Fully paid up pursuant to contract(s) without payment being received in cash	Nil
Fully paid up by way of bonus shares	Nil

Shares bought back Nil

**Equity Shares :**

Fully paid up pursuant to contract(s) without payment being received in cash Nil

Fully paid up by way of bonus shares Nil

Shares bought back Nil

**Note-2**

Reserves & Surplus	As at 31st March 2015 Amount (Rs.)	As at 31st March 2014 Amount(Rs.)
<b>a. Securities Premium Account</b>		
Opening Balance	-	-
Add : Securities premium credited on Share issue	2,15,311.00	-
Less : Premium Utilised for various reasons	-	-
Closing Balance	<b>2,15,311.00</b>	-
<b>b. Surplus</b>		
Opening balance	24,13,024.87	19,31,323.21
(+) Net Profit/(Net Loss) For the current period	59,56,872.22	45,50,708.66
(+) Transfer from Reserves	-	-
(-) Proposed Dividends	27,00,000.00	27,00,000.00
(-) Dividends Tax	5,40,000.00	4,58,865.00
(-) Transfer to Reserves(u/s.45IC-RBI)	11,91,374.00	9,10,142.00
Closing Balance	<b>39,38,523.09</b>	<b>24,13,024.87</b>
<b>I. Reserve Fund(Sec.45IC-RBI)</b>		
Opening Balance	14,17,205.00	5,07,063.00
(+) Current period Transfer	11,91,374.00	9,10,142.00
(-) Written back in Current period	-	-
Closing Balance	<b>26,08,579.00</b>	<b>14,17,205.00</b>
<b>TOTAL</b>	<b>67,62,413.09</b>	<b>38,30,229.87</b>

**Note 3**

Long Term Borrowings	As at 31st March 2015 Amount(Rs.)	As at 31st March 2014 Amount(Rs.)
<b>(i) Secured Loans:</b>		
<b>From Banks and Financial Institutions:</b>		
<b>(A) Borrowings from State Bank of India</b>		
Opening Balance	-	39,737.00
Add:- Loan received during the year	-	-
Less:- Loan repaid during the year		39,737.00
<b>TOTAL</b>	<b>-</b>	<b>-</b>
<b>Out of (A) above</b>		
(A1) Borrowings from State Bank of India due less than 1 year		-
(A2) Borrowings from State Bank of India due greater than 1 year		-
<b>(B) Borrowings from Ananya Finance for Inclusive Growth Private Limited :-</b>		
Opening Balance	-	30,57,583.00
Add:- Loan received during the year	2,50,00,000.00	-
Less:- Loan repaid during the year	51,38,893.00	30,57,583.00
<b>TOTAL(B)</b>	<b>1,98,61,107.00</b>	<b>-</b>
<b>Out of (B) above</b>		
(B1) Borrowings from Ananya F.I.G. Pvt Ltd. due less than 1 year	1,51,38,897.00	-
(B2) Borrowings from Ananya F.I.G. Pvt Ltd. due greater than 1 year	47,22,210.00	-
<b>(C) Borrowings from MAS Financial Services Ltd :-</b>		
Opening Balance	108,749,993.00	4,99,99,999.00
Add:- Loan received during the year	200,000,000.00	14,50,00,000.00
Less:- Loan repaid during the year	105,208,328.00	8,62,50,006.00
<b>TOTAL(C)</b>	<b>203,541,665.00</b>	<b>10,87,49,993.00</b>
<b>Out of (E) above</b>		
(C1) Borrowings from MAS Financial Services Ltd. due less than 1 year	132,499,992.00	7,06,24,990.00
(C2) Borrowings from MAS Financial Services Ltd. due greater than 1 year	71,041,673.00	3,81,25,003.00

**(D) Borrowings from SIDBI :-**

Opening Balance	15,000,000.00	-
Add:- Loan received during the year	-	2,00,00,000.00
Less:- Loan repaid during the year	15,000,000.00	50,00,000.00
<b>TOTAL(D)</b>	<b>-</b>	<b>1,50,00,000.00</b>

**Out of (D) above**

(D1) Borrowings from SIDBI due less than 1 year	-	1,50,00,000.00
(D2) Borrowings from SIDBI due greater than 1 year	-	-

**(E) Borrowings from IDBI Bank :-**

Opening Balance	10,000,000.00	-
Add:- Loan received during the year	30,000,000.00	1,00,00,000.00
Less:- Loan repaid during the year	7,499,992.00	-
<b>TOTAL(E)</b>	<b>32,500,008.00</b>	<b>1,00,00,000.00</b>

**Out of (E) above**

(E1) Borrowings from IDBI Bank due less than 1 year	20,000,008.00	50,00,000.00
(E2) Borrowings from IDBI Bank due greater than 1 year	12,500,000.00	50,00,000.00

**(F) Borrowings from CANARA BANK :-**

Opening Balance	30,000,000.00	-
Add:- Loan received during the year	-	3,00,00,000.00
Less:- Loan repaid during the year	6,864,777.00	-
<b>TOTAL(F)</b>	<b>23,135,223.00</b>	<b>3,00,00,000.00</b>

**Out of (F) above**

(F1) Borrowings from Canara Bank due less than 1 year	10,326,936.00	74,97,000.00
(F2) Borrowings from Canara Bank due greater than 1 year	12,808,287.00	2,25,03,000.00

**(G) Borrowings from UCO Bank :-**

Opening Balance	5,000,000.00	-
Add:- Loan received during the year	5,000,000.00	50,00,000.00
Less:- Loan repaid during the year	3,271,632.00	-
<b>TOTAL(G)</b>	<b>6,728,368.00</b>	<b>50,00,000.00</b>

**Out of (G) above**

(G1) Borrowings from UCO Bank due less than 1 year	3,332,000.00	33,32,000.00
(G2) Borrowings from UCO Bank due greater than 1 year	3,396,368.00	16,68,000.00

**(H) Borrowings from IFMR Capital Finance Private Limited :-**

Opening Balance	-	-
Add:- Loan received during the year	100,000,000.00	-
Less:- Loan repaid during the year	11,788,133.00	-
<b>TOTAL(H)</b>	<b>88,211,867.00</b>	<b>-</b>

**Out of (H) above**

(H1) Borrowings from IFMR Capital Finance Pvt. Ltd due less than 1 year	70,168,632.00	-
(H2) Borrowings from IFMR Capital Finance Pvt. Ltd due greater than 1 year	18,043,235.00	-

**(I) Borrowings from Reliance Home Finance Limited :-**

Opening Balance	-	-
Add:- Loan received during the year	30,000,000.00	-
Less:- Loan repaid during the year	2,324,628.00	-
<b>TOTAL(I)</b>	<b>27,675,372.00</b>	<b>-</b>

**Out of (I) above**

(I1) Borrowings from Reliance Home Finance Ltd due less than 1 year	27,675,372.00	-
(I2) Borrowings from Reliance Home Finance Ltd due greater than 1 year	-	-

**(J) Vehicle Loan. :-**

Opening Balance	431,116.00	4,83,531.00
Add:- Loan received during the year	977,796.00	-
Less:- Loan repaid during the year	122,447.00	52,415.00
<b>TOTAL(J)</b>	<b>12,86,465.00</b>	<b>4,31,116.00</b>

**Out of (J) above**

(J1) Vehicle Loan due less than 1 year	162,264.00	58,490.00
(J2) Vehicle Loan due greater than 1 year	1,124,201.00	3,72,626.00

**GRAND TOTAL LESS THAN 1 YEAR (A1+B1+C1+D1+E1+F1+G1+H1+I1+J1)**

**279,304,101.00 10,15,12,480.00**

**GRAND TOTAL GREATER THAN 1 YEAR (A2+B2+C2+D2+E2+F2+G2+H2+I2+J2)**

**123,635,974.00 6,76,68,629.00**

**(ii) Unsecured Loans:**

**From Banks and Financial Institutions:**

**(A) Borrowings from Dia Vikas Capital Pvt Ltd. :-**

Opening Balance	1,07,14,285.00	2,98,57,145.00
Add:- Loan received during the year	1,00,00,001.00	50,00,000.00
Less:- Loan repaid during the year	1,07,14,286.00	2,41,42,860.00
<b>TOTAL(A)</b>	<b>1,00,00,000.00</b>	<b>1,07,14,285.00</b>

**Out of ( A ) above**

(A1) Borrowings from Dia Vikas Capital Pvt Ltd. due less than 1 year	40,00,000.00	1,07,14,285.00
(A2) Borrowings from Dia Vikas Capital Pvt Ltd. due greater than 1 year	60,00,000.00	-

**(B) Borrowings from FWWB, India(WATSAN) :-**

Opening Balance	40,03,534.00	34,63,784.00
Add:- Loan received during the year	-	50,00,000.00
Less:- Loan repaid during the year	35,51,790.00	44,60,250.00
<b>TOTAL(B)</b>	<b>4,51,744.00</b>	<b>40,03,534.00</b>

**Out of (B) above**

(B1) Borrowings from FWWB, India(WATSAN) due less than 1 year	4,51,744.00	35,51,790.00
(B2) Borrowings from FWWB, India(WATSAN) due greater than 1 year	-	4,51,744.00

<b>TOTAL LESS THAN 1 YEAR (A1+B1)</b>	<b>44,51,744.00</b>	<b>1,42,66,075.00</b>
<b>TOTAL GREATER THAN 1 YEAR (A2+B2)</b>	<b>60,00,000.00</b>	<b>4,51,744.00</b>

<b>GRAND TOTAL LESS THAN 1 YEAR (i+ii) SHORT TERM</b>	<b>283,755,845.00</b>	<b>11,57,78,555.00</b>
<b>GRAND TOTAL GREATER THAN 1 YEAR (i+ii) LONG TERM</b>	<b>129,635,974.00</b>	<b>6,81,20,373.00</b>
<b>GRAND TOTAL</b>	<b>413,391,819.00</b>	<b>18,38,98,928.00</b>

**Note-4**

Long Term Provision	As at 31st March 2015	As at 31st March 2014
	Amount(Rs.)	Amount(Rs.)
Provision for Doubtful Debts ( 1% Of Loan O/s)	37,19,292.00	19,65,103.00
<b>TOTAL</b>	<b>37,19,292.00</b>	<b>19,65,103.00</b>

**Note-5**

Short Term Borrowings	As at 31st March 2015	As at 31st March 2014
	Amount(Rs.)	Amount(Rs.)
<b>(a) Secured Loans</b>		
<b>From Banks :</b>		
State Bank of India Overdraft Facility	18,84,086.00	18,85,722.00
<b>TOTAL LESS THAN 1 YEAR (i+ii) SHORT TERM</b>	<b>283,755,845.00</b>	<b>11,57,78,555.00</b>
<b>GRAND TOTAL</b>	<b>285,639,931.00</b>	<b>11,76,64,277.00</b>

**Note-6**

Other Current Liabilities	As at 31st March 2015	As at 31st March 2014
	Amount(Rs.)	Amount(Rs.)
Medical Allowance Payable	1,46,272.00	19,536.00
GSLI Payable	-	498.00
Mess Contribution	23,150.00	14,950.00
Professional Tax Payable	3,925.00	2,500.00
TDS Payable	5,04,896.00	1,77,438.00
Employees Provident Fund Payable	81,490.00	42,684.00
Staff group Insurance	23,400.00	9,600.00
Office Rent Payable	1,61,400.00	64,000.00
Directors Salaries payable	7,000.00	5,833.00
Staff Salaries payable	2,66,490.00	1,24,199.00
Service tax Payable	14,510.25	21,985.06
Bank charges payable	-	-
Interest payable to MAS Financial Services Ltd	7,00,821.00	3,20,732.00
Interest payable to Canara Bank	17,274.00	-
Interest payable to UCO Bank	21.00	-
Interest payable to IDBI Bank	3,69,365.00	-
Interest payable to IFMR Capital Finance Ltd	4,65,519.00	-
Interest payable to Reliance Home Finance Ltd	1,96,875.00	-
Employees state Insurance	3,299.00	-
Stipend Payable	1,80,917.00	31,427.00
Consultancy Fee Payable	60,000.00	-
Collection Received and Repay to Yes Bank Limited	7,493.13	-
Received from Yes Bank Limited for Disb. to clients (BC)	1,53,16,663.00	-
<b>TOTAL</b>	<b>1,85,50,780.38</b>	<b>8,35,382.06</b>

**Note-7**

<b>Short Term Provisions</b>	<b>As at 31st March 2015</b>	<b>As at 31st March 2014</b>
	<b>Amount(Rs.)</b>	<b>Amount(Rs.)</b>
<b>(A) Provision for Statutory Audit Fees:-</b>		-
Opening Balance	70,000.00	66,000.00
Add:- New Provision made during the year	80,000.00	70,000.00
Less:- Old Provision write off/paid during the year	70,000.00	66,000.00
<b>TOTAL(A)</b>	<b>80,000.00</b>	<b>70,000.00</b>
<b>(B) Provision for Tax Audit Fees:-</b>		-
Opening Balance	16,000.00	15,000.00
Add:- New Provision made during the year	20,000.00	16,000.00
Less:- Old Provision write off/paid during the year	16,000.00	15,000.00
<b>TOTAL(B)</b>	<b>20,000.00</b>	<b>16,000.00</b>
<b>(C) Provision for Taxes</b>		-
Opening Balance	26,01,948.00	10,96,124.00
Add:- New Provision made during the year	31,51,272.00	21,77,609.00
Add:- Additional Provision made by IT Dept.(2013-14)	13,030.00	1,550.00
Less:- Old Provision write off during the year	12,30,941.00	6,73,335.00
<b>TOTAL(C)</b>	<b>45,35,309.00</b>	<b>26,01,948.00</b>
<b>(D) Provision for Preference Dividend for SIDBI</b>		
Opening Balance	27,00,000.00	1,55,343.00
Add:- New Provision made during the year	27,00,000.00	27,00,000.00
Less:- Old Provision write off/paid during the year	27,00,000.00	1,55,343.00
<b>TOTAL ( D)</b>	<b>27,00,000.00</b>	<b>27,00,000.00</b>
<b>(E) Provision for Dividend Tax</b>		
Opening Balance	4,60,465.00	24,000.00
Add:- New Provision made during the year	5,40,000.00	4,58,865.00
Add:- Additional Provision made by IT Dept.(2012-13)	-	1,600.00
Less:- Old Provision write off during the year	4,60,465.00	24,000.00
<b>TOTAL ( E )</b>	<b>5,40,000.00</b>	<b>4,60,465.00</b>
<b>GRAND TOTAL (A+B+C+D+E)</b>	<b>78,75,309.00</b>	<b>58,48,413.00</b>

**Note-9**

Non Current Investment	As at 31st March 2015 Amount(Rs.)	As at 31st March 2014 Amount(Rs.)
MAS Financial services Ltd	3,97,50,000.00	2,70,00,000.00
Canara Bank	30,00,000.00	30,00,000.00
IDBI Bank	50,00,000.00	20,00,000.00
UCO Bank	15,00,000.00	15,00,000.00
FLDG on Yes Bank BC	77,00,000.00	-
IFMR Capital Finance Pvt. Ltd.	1,00,00,000.00	-
Ananya Finance for Inclusive Growth Private Limited	20,00,000.00	-
Reliance Home Finance Limited	30,00,000.00	-
<b>TOTAL</b>	<b>7,19,50,000.00</b>	<b>3,35,00,000.00</b>

**Note 10**

Loans and Advances	As at 31st March 2015 Amount(Rs.)	As at 31st March 2014 Amount(Rs.)
<b>(A) Total Loans Outstanding with Members:-(Saral)</b>		
Opening Balance	186,259,454.00	12,68,66,795.00
Add:-Loan disbursed to Members	372,712,500.00	17,87,17,500.00
Less: Loan recovered from Members	189,775,808.00	11,88,78,685.00
	369,196,146.00	18,67,05,610.00
Less: Loan written off	-	4,46,156.00
<b>TOTAL(A)</b>	<b>369,196,146.00</b>	<b>18,62,59,454.00</b>
<b>Out of (A) above</b>		
(A1) Loans Outstanding with Members:-(Saral) due less than 1 year	246,965,102.00	12,89,70,112.00
(A2) Loans Outstanding with Members:-(Saral) due greater than 1 year	122,231,044.00	5,72,89,342.00
<b>(B) Loans Outstanding with Members:-(Suvidha)</b>		
Opening Balance	38,31,932.00	37,73,205.00
Add:-Loan disbursed to Members	4,70,000.00	32,05,000.00
Less: Loan recovered from Members	43,01,932.00	31,46,273.00
	-	38,31,932.00
Less: Loan written off	-	-
<b>TOTAL(B)</b>	<b>-</b>	<b>38,31,932.00</b>
<b>Out of (B) above</b>		
(B1) Loans Outstanding with Members:-(Suvidha) due less than 1 year	-	38,31,932.00
(B2) Loans Outstanding with Members:-(Suvidha) due greater than 1 year	-	-

<b>(C) Loans Outstanding with Members:-(WATSAN)</b>		
Opening Balance	64,18,904.00	41,74,778.00
Add:-Loan disbursed to Members	6,12,000.00	51,72,000.00
Less: Loan recovered from Members	42,97,852.00	29,27,874.00
	27,33,052.00	64,18,904.00
Less: Loan written off	-	-
<b>TOTAL(C)</b>	<b>27,33,052.00</b>	<b>64,18,904.00</b>
<b>Out of (C) above</b>		
(C1) Loans Outstanding with Members:-(WATSAN) due less than 1 year	25,85,691.00	40,83,960.00
(C2) Loans Outstanding with Members:-(WATSAN) due greater than 1 year	1,47,361.00	23,34,944.00
<b>Grand Total Loans Outstanding with Members due less than 1 year (A1+B1+C1)</b>	<b>249,550,793.00</b>	<b>13,68,86,004.00</b>
<b>Grand Total Loans Outstanding with Members due greater than 1 year (B1+B2+C2)</b>	<b>122,378,405.00</b>	<b>5,96,24,286.00</b>
<b>GRAND TOTAL(A+B+C)</b>	<b>371,929,198.00</b>	<b>19,65,10,290.00</b>

**Note-11**

Other Non Current Assets	As at 31st March 2015 Amount(Rs.)	As at 31st March 2014 Amount(Rs.)
<b>(A)Preliminary expenses</b>	33,00,000.00	38,50,000.00
Less: Written off during the year	5,50,000.00	5,50,000.00
<b>TOTAL(A)</b>	<b>27,50,000.00</b>	<b>33,00,000.00</b>
<b>(B)Vehicle Contribution to Staff</b>	<b>4,55,872.00</b>	<b>3,83,328.00</b>
Add: Contribution during the period	1,28,500.00	80,050.00
Less: Recovery during the year	-	7,506.00
Less: Written off during the period	-	-
<b>TOTAL(B)</b>	<b>5,84,372.00</b>	<b>4,55,872.00</b>
<b>(C) Cell Phone Contribution to Staff</b>	-	26,500.00
Add: Contribution during the period	-	-
Less: Written off during the period	-	26,500.00
<b>TOTAL(C)</b>	<b>-</b>	<b>-</b>
<b>TOTAL(A+B+C)</b>	<b>33,34,372.00</b>	<b>37,55,872.00</b>

**Note-12**

Current Investment	As at 31st March 2015	As at 31st March 2014
	Amount(Rs.)	Amount(Rs.)
State Bank of India	13,36,389.00	13,36,389.00
IDBI Bank	5,00,00,000.00	-
<b>TOTAL</b>	<b>5,13,36,389.00</b>	<b>13,36,389.00</b>

**Note-13**

Cash and Bank equivalents	As at 31st March 2015	As at 31st March 2014
	Amount(Rs.)	Amount(Rs.)
Cash in Hand	71,902.00	28,10,782.00
Cash at AXIS Bank(Current A/C No-12148)	31,55,160.32	43,74,178.73
Cash at AXIS Bank(Current A/C No-67556)	8,876.40	-
Cash at AXIS Bank(Current A/C No-57656)	3,752.80	-
Cash at AXIS Bank(Current A/C No-53058)	5,393.20	-
Cash at AXIS Bank (Current A/C No-89398)	8,876.40	-
Cash at AXIS Bank (Current A/C No-89369)	8,876.40	-
Cash at ICICI Ban ((MCOM281990))	500.00	-
Cash at SBI(A/C No-0777)	83,825.00	19,789.00
Cash at DCB(A/C No-1908)	15,789.00	15,789.00
Cash at SBI(A/C No-5987)	2,29,044.00	8,100.00
Cash at AXIS Bank(Current A/C No-94885)	-	-
Cash at Canara Bank(Current A/C No-13243)	81,022.00	2,70,23,512.00
Cash at IDBI Bank(Current A/C No-2028)	38,17,926.38	5,50,670.00
Cash at IDBI Bank(Current A/C No-6590)	30,000.00	-
Cash at UCO Bank(Current A/C No-1363)	6,34,661.00	49,79,077.00
Cash at Yes Bank(Current A/C No-0190)	5,745.63	25,08,717.12
Cash at Yes Bank(BC Collection Current A/C No-00350)	33,427.93	-
Cash at Yes Bank(BC Disbursement Current A/C No-00093)	1,48,50,168.00	-
<b>TOTAL</b>	<b>2,30,44,946.46</b>	<b>4,22,90,614.85</b>

**Note-14**

Short term loan and advances	As at 31st March 2015	As at 31st March 2014
	Amount(Rs.)	Amount(Rs.)
Staff Loan Receivable	14,88,430.00	5,49,621.00
Advance to Staff	8,84,807.00	3,04,741.00
Advance for Printing & stationery	5,62,658.00	-
Advance Income-Tax	34,00,000.00	16,00,000.00

Advance for Software development		1,116.00	1,116.00
CUG Cell Phone Advance		20,000.00	-
Advance for Travelling		51,856.00	-
	<b>TOTAL</b>	<b>64,08,867.00</b>	<b>24,55,478.00</b>
Grand Total Loans Outstanding with Members due less than 1 year (A1+B1+C1)		249,550,793.00	13,68,86,004.00
	<b>GRAND TOTAL</b>	<b>255,959,660.00</b>	<b>13,93,41,482.00</b>

**Note-15**

<b>Other Current Assets:-</b>	<b>As at 31st March 2015 Amount(Rs.)</b>	<b>As at 31st March 2014 Amount(Rs.)</b>
Security Deposit for Telephone	26,903.49	17,072.49
Accrued interest Receivable from MAS Financial Services Ltd.	17,93,835.00	9,60,903.00
Accrued interest Receivable from IDBI	3,35,665.00	40,500.00
Accrued interest Receivable from IDBI Lien FD Reliance Home Finance Ltd.	29,961.00	-
Accrued Interest Receivable from Canara Bank	2,52,895.00	-
Accrued Interest Receivable from UCO Bank	1,25,333.00	-
Accrued Interest Receivable from IFMR Capital Pvt. Ltd	1,23,988.00	-
Accrued Interest Receivable from SBI	3,88,396.00	2,51,218.00
Accrued Interest Receivable from Yes Bank Limited	1,45,589.00	-
Accrued Interest Receivable from AFIG	41,702.00	-
Accrued Interest Receivable from clients - Saral	29,38,600.00	-
Accrued Interest Receivable from clients - WATSAN	15,874.00	-
Accrued Commission Received From YBL - BC	8,73,191.00	-
TDS Receivable	8,00,390.93	1,93,796.93
Gratuity Scheme	9,39,467.00	2,16,288.00
SD for Electricity Connection	55,576.00	22,361.00
Security Deposit for LPG Gas Connection	1,250.00	1,250.00
ESCROW For Micro Pension	28,860.00	900.00
SD for Rental Premise	6,40,800.00	2,05,800.00
Advance for purchase of solar lights	5,27,137.00	-
Micro pension enrollment fee receivable	8,845.00	3,150.00
	<b>TOTAL</b>	<b>1,00,94,258.42</b>
		<b>19,13,239.42</b>

**Note-16**

Revenue from Operations	As at 31st March 2015	As at 31st March 2014
	Amount(Rs.)	Amount(Rs.)
Interest collected from Suvidha Loan	17,21,186.00	20,00,709.00
Interest collected from Saral Loan	6,67,22,098.00	3,75,52,560.00
Interest collected from WATSAN Loan	9,85,064.00	8,10,918.00
Loan Processing Fees Saral Loan	37,11,267.07	17,78,790.46
Loan Processing Fees from Suvidha Loan	4,200.00	21,974.00
Loan Processing Fees WATSAN Loan	6,083.74	9,799.98
<b>TOTAL</b>	<b>7,31,49,898.81</b>	<b>4,21,74,751.44</b>

**Note-17**

Other Income	As at 31st March 2015	As at 31st March 2014
	Amount(Rs.)	Amount(Rs.)
<b>(A)Income from Investments:-</b>		
YES Bank	12,91,499.85	1,70,758.95
Axis Bank Mutual Fund	72,644.07	-
<b>TOTAL(A)</b>	<b>13,64,143.92</b>	<b>1,70,758.95</b>
<b>(B)Other Miscellaneous Income:-</b>		
Interest on Staff Loan	1,24,770.00	1,55,740.00
Interest on MAS FLDG	24,09,863.00	12,11,671.00
Interest on SBI FD	1,52,420.00	45,000.00
Interest on IDBI Bank FLDG	3,27,962.00	2,79,132.00
Interest on Lien FD to Reliance Home Finance Ltd at IDBI Bank	33,290.00	-
Interest on FLDG Canara Bank	2,80,995.00	-
Interest on FLDG UCO Bank	1,39,259.00	-
Interest on FLDG IFMR Capital Pvt. Ltd	1,37,765.00	-
Interest on FLDG AFIG	46,336.00	-
Full & Final settlement received	3,145.00	38,279.00
Grant Received from SIDBI PSIG CB	12,88,000.00	3,68,000.00
Training fees From Trainee staff	35,500.00	22,100.00
Excess provision of tax brought back	-	22,170.00
IIMPS Membership fee	23,209.00	-
Micro pension Enrollment fee	-	3,500.00
Commission Received From YBL - BC	23,48,144.00	-
Miscellaneous Income	28,116.00	11,795.00
	<b>73,78,774.00</b>	<b>21,57,387.00</b>

<b>TOTAL(B)</b>		
<b>GRAND</b>		
<b>TOTAL(A+B)</b>	<b>87,42,917.92</b>	<b>23,28,145.95</b>

**Note-18**

<b>Employee Benefits Expense</b>	<b>As at 31st March 2015</b>	<b>As at 31st March 2014</b>
	<b>Amount(Rs.)</b>	<b>Amount(Rs.)</b>
Directors' Salary	4,21,167.00	4,25,833.00
Staff Salaries & Allowance	94,13,266.00	67,70,579.00
Capacity Building Training to Staff	2,42,987.00	67,809.00
Daily Exp Reimbursement	3,250.00	19,200.00
Medical Reimbursement	2,72,514.00	1,43,045.00
Staff Welfare	5,03,602.00	3,83,291.00
Stipend	24,94,138.00	17,05,991.00
<b>TOTAL</b>	<b>1,33,50,924.00</b>	<b>95,15,748.00</b>

**Note-19**

<b>Financial Cost</b>	<b>As at 31st March 2015</b>	<b>As at 31st March 2014</b>
	<b>Amount(Rs.)</b>	<b>Amount(Rs.)</b>
<b>Processing Fees paid:-</b>		
Ananya F.I.G. Pvt. Ltd.	1,50,000.00	-
MAS Financial Services Ltd.	40,22,488.00	22,33,155.00
Canara Bank	-	1,68,540.00
Processing Fee @0.75% & ST-Reliance Home Fin. Ltd	2,52,810.00	-
SIDBI	-	56,180.00
UCO Bank	-	1,14,460.00
IDBI Bank	1,96,630.00	1,56,180.00
IFMR Capital Finance Private Limited	14,04,500.00	-
<b>Interest on Borrowings:-</b>		
Ananya F.I.G. Pvt. Ltd.	12,47,670.00	2,45,140.00
Canara Bank	34,90,373.00	-
IFMR Capital Finance Private Limited	22,85,386.00	-
MAS Financial Services Ltd.	2,39,00,730.00	1,12,42,919.00
Reliance Home Finance Ltd.	5,90,625.00	-
State Bank of India	-	542.00
Vehicle Loan	78,250.00	49,516.00
Dia Vikas Capital Pvt Ltd	5,35,660.00	17,41,347.00
Friends of WWB, India	1,94,318.00	5,31,817.00
IDBI Bank	31,21,115.00	2,42,054.00

SIDBI	9,80,137.00	10,05,616.00
UCO Bank	8,32,080.00	-
SBI OD A/c	97,252.00	1,13,890.00
<b>TOTAL</b>	<b>4,33,80,024.00</b>	<b>1,79,01,356.00</b>

**Note-20**

<b>Depreciation &amp; Amortisation:-</b>	<b>As at 31st March 2015</b>	<b>As at 31st March 2014</b>
	<b>Amount(Rs.)</b>	<b>Amount(Rs.)</b>
Depreciation on Fixed Assets	31,54,344.07	7,66,349.37
Preliminary Expenses written off	5,50,000.00	5,50,000.00
<b>TOTAL</b>	<b>37,04,344.07</b>	<b>13,16,349.37</b>

**Note-21**

<b>Portfolio</b>	<b>Aging</b>	<b>Rate-RBI Norm</b>	<b>Outstanding</b>	<b>Rate Applied</b>	<b>Provision</b>
Standard	0-89 Days	0.00%	37,16,03,673	-	-
Sub-Std	90-179Days	50.00%	18,000	0.50	9,000.00
Doubtful	180 & above Days	100.00%	3,07,525	1.00	3,07,525.00
Total:			37,19,29,198		3,16,525.00
1% of Loan outstanding					37,19,291.98
Provision required (Higher of above two as per NBFC-MFI Master Circular Dt. July 1,2013)					37,19,292.00
Provision made for the period					37,19,292.00
Opening Balance in Loan Loss Reserve as on 01/04/2014					19,65,103.00
Balance in Loan Loss Reserve as at 31/03/2015					<b>17,54,189.00</b>

**Note-22**

<b>Other Expenses</b>	<b>As at 31st March 2015</b>	<b>As at 31st March 2014</b>
	<b>Amount(Rs.)</b>	<b>Amount(Rs.)</b>
Advertisements	-	14,500.00
Bank Charges	1,78,540.44	83,174.86
Board Meeting Expenses	1,40,389.00	89,066.00
Books & Periodicals	65,540.00	52,031.00
Business Development & Promotion Expenses	10,62,519.00	6,97,558.00
Certification Work	79,200.00	-
Cell phone contribution and advance for cell phone written off	-	32,755.00

Client Welfare Expenses	21,500.00	17,000.00
Client Group Insurance	1,93,814.00	6,87,081.00
Consultancy Fees	16,10,357.00	4,01,050.00
Daily Labour Charges	7,850.00	4,650.00
Donation	201.00	10,751.00
EDLI & Administrative charges	51,086.00	34,949.00
Electricity Charges	2,32,775.00	1,59,898.00
Employer Contribution towards U.H.S Premium	12,603.00	16,987.00
Employer Contribution to EPF	3,70,757.00	2,61,798.00
Employer Contribution to ESI	86,371.00	-
Entertainment Expenses	46,045.00	19,391.00
E-TDS & Income-Tax return filing	24,281.00	11,304.00
Expenses against SIDBI PSIG CB Assistance	-	6,18,000.00
General Expenses	-	2,828.00
Gratuity scheme reimbursement	68,129.00	-
Guest Refreshment Expenses	5,341.00	8,725.00
Incentives	17,000.00	-
Insurance	3,41,884.00	53,833.00
Legal Expenses	5,38,430.00	4,82,728.00
Membership Fee-MFIN	1,88,500.00	-
Membership Fee-Sa-Dhan	74,888.00	-
Miscellaneous Expenses	129.00	-
M_Pesa Disb Processing Charges	59,401.00	-
Office Expenses	2,93,072.00	1,92,308.00
Office Rent & Utilities	14,99,016.00	8,70,633.00
Postage & Courier Charges	38,932.00	27,196.50
Printing & Stationery	5,07,116.00	2,11,926.00
Professional Charges	1,34,832.00	-
Provision for Statutory Audit Fees	80,000.00	70,000.00
Provision for Tax Audit Fees	20,000.00	16,000.00
Repair & Maintenance	3,56,947.00	1,16,803.00
Research & Documentation	15,170.00	1,557.00
ROC Expenses	2,11,871.00	-
Security Guard Expenses	1,89,619.00	1,76,998.00
Staff Medical insurance	61,357.00	72,867.00
TDS Demand	-	45,925.00
Telecommunication Charges	8,25,810.00	4,91,441.00
Tour & Travelling Expenses	7,94,016.00	10,05,172.00
Travelling Allowance	4,84,819.00	3,27,068.00
Demand of Dividend Tax paid	-	1,200.00

Demand of Income tax paid	-	3,540.00
Utilization Certificate Fees	66,000.00	52,800.00
Loan Processing Charges for Vehicle purchase	4,794.00	-
<b>TOTAL</b>	<b>1,10,60,901.44</b>	<b>74,43,492.36</b>

**Note-23**

<b>Calculation Of Deferred Tax Assets for the year 2015-14</b>	<b>As at 31st March 2015 Amount(Rs.)</b>	<b>As at 31st March 2014 Amount(Rs.)</b>
Tax on Taxable Income of Rs. 9,972,303	31,49,252.00	-
Tax On Accountable Income Rs. 8,642,434.00	26,70,512.00	-
<b>Deferred Tax Assets for current year</b>	<b>4,78,740.00</b>	<b>-</b>

**Cash Flow Statement**

<b>Particulars</b>	<b>As at 31st March 2015 Amount Rs.</b>	<b>As at 31st March 2014 Amount Rs.</b>
<b>Sources</b>		
Retained Profit	27,16,872.22	13,91,843.66
Depreciation	31,54,344.07	7,66,349.37
Amortisation	5,50,000.00	5,50,000.00
Loan Loss Provisions	17,54,189.00	15,94,484.00
Increase in Capital	50,00,001.00	-
Repayment received from Clients	19,83,75,592.00	12,49,52,832.00
Loans received from Banks/FIs	40,28,61,883.00	22,18,85,722.00
Increase in Liabilities	1,97,42,294.32	47,59,872.06
<b>Total ₹</b>	<b>63,41,55,175.61</b>	<b>35,59,01,103.09</b>
<b>Uses</b>		
Increase in Fixed Assets	50,44,068.00	10,97,859.00
Disbursements to Clients	37,37,94,500.00	18,70,94,500.00
Repayment to Banks/FIs	17,33,70,628.00	12,30,02,851.00
Increase in Other Assets	1,27,41,648.00	2,99,178.93
Increase in Investments	8,84,50,000.00	2,52,50,000.00
<b>Total ₹</b>	<b>65,34,00,844.00</b>	<b>33,67,44,388.93</b>

Net Change in Cash & Bank Rs.	-1,92,45,668.39	1,91,56,714.16
Opening Cash & Bank Balance Rs.	4,22,90,614.85	2,31,33,900.69
Closing Cash & Bank Balance Rs.	2,30,44,946.46	4,22,90,614.85

**Note 8****Depreciation Schedule of Fixed Assets for the period ended on 31.03.2015 (under Companies Act)****(Amount in Rs.)**

Sl.No.	Name of Assets	Rate of Dep (%)	Gross Block			Depreciation			Net Block		
			As on 01.04.2014	Addition during the Year	Total as on 31.03.2015	Upto 01.04.2014	Depreciation during the Year	Total as on 31.03.2015	Sale of Fixed Assets	WDV as on 31.03.2015	WDV as on 31.03.2014
			<b>A</b>	<b>B</b>	<b>C=(A+B)</b>	<b>D</b>	<b>E</b>	<b>F=(D+E)</b>	<b>G</b>	<b>H=(C-E-G)</b>	<b>I</b>
1	Computer & Accessories	63.16	8,11,332.87	19,22,080.00	27,33,412.87	12,72,204.62	17,26,423.57	29,98,628.19	-	10,06,989.30	8,11,332.87
2	Furniture & Fixtures	25.89	6,27,212.57	12,85,843.00	19,13,055.57	7,29,775.93	4,95,290.09	12,25,066.01	-	14,17,765.49	6,27,212.57
3	Office Equipment	45.07	2,90,003.86	4,20,948.00	7,10,951.86	3,11,694.74	3,20,426.00	6,32,120.74	-	3,90,525.86	2,90,003.86
4	Motor Cycle	25.89	22,080.00	-	22,080.00	63,850.20	5,716.51	69,566.71	-	16,363.49	22,080.00
5	Vehicle( Tata Sumo )	31.23	4,78,665.69	-	4,78,665.69	2,63,262.31	1,49,487.29	4,12,749.61	-	3,29,178.39	4,78,665.69
6	Vehicle (XYLO)	31.23	-	10,86,503.00	10,86,503.00	-	3,39,314.89	3,39,314.89	-	7,47,188.11	-
7	Electrical Fittings	25.89	74,164.28	41,699.00	1,15,863.28	1,51,043.42	29,997.00	1,81,040.42	-	85,866.28	74,164.28
8	Inverter	25.89	-	1,21,200.00	1,21,200.00	-	31,378.68	31,378.68	-	89,821.32	-
9	Shed	4.87	4,366.45	-	4,366.45	1,276.55	212.65	1,489.20	-	4,153.80	4,366.45
10	Cycles	25.89	3,966.26	37,000.00	40,966.26	6,678.74	10,606.16	17,284.91	-	30,360.09	3,966.26
11	Mobile/Landphone	13.91	1,80,648.96	1,28,795.00	3,09,443.96	99,668.59	43,043.66	1,42,712.24	-	2,66,400.31	1,80,648.96
12	Signboard	25.89	9,453.72	-	9,453.72	11,966.28	2,447.57	14,413.85	-	7,006.15	9,453.72
	<b>TOTAL</b>		<b>25,01,894.66</b>	<b>50,44,068.00</b>	<b>75,45,962.66</b>	<b>29,11,421.38</b>	<b>31,54,344.07</b>	<b>60,65,765.45</b>	<b>-</b>	<b>43,91,618.59</b>	<b>25,01,894.66</b>

For N. Gahan & Associates  
Chartered Accountants  
Firm Regd. No-326078E  
CA N Gahan FCA Partner  
Memb. No. 079100

For & on behalf of the Board of Directors  
Of SAMBANDH Finserve Pvt. Ltd.

Director

Managing Director

**Depreciation Schedule of Fixed Assets for the period ended on 31.03.2015 (under Income-tax Act)**

**(Amount in Rs.)**

Sl. No	Name of Assets	Rate Of Dep (%)	Gross Block				Depreciation				SALE of FIXED ASSET I	Net Block	
			As on 01.04.2014 <b>A</b>	Addition during the period		Total as on 31.03.2015 <b>D=(A+B+C)</b>	Upto 01.04.2014 <b>E</b>	Depreciation during the period		Total as on 31.03.2015 <b>H=(E+F+G)</b>		WDV as on 31.03.2015 <b>J=(D-F-G)</b>	WDV as on 31.03.2014 <b>K</b>
				upto 30.09.2014 <b>B</b>	upto 31.03.2015 <b>C</b>			upto 30.09.2014 <b>F</b>	upto 31.03.2015 <b>G</b>				
1	Computer & Accessories	60	5,75,173.14	8,55,550.00	10,66,530.00	24,97,253.14	16,33,312.73	8,58,433.88	3,19,959.00	28,11,705.61	-	13,18,860.25	5,75,173.14
2	Furniture & Fixtures	10	8,39,662.37	2,72,034.00	10,13,809.00	21,25,505.37	4,40,655.14	1,11,169.64	50,690.45	6,02,515.22	-	19,63,645.29	8,39,662.37
3	Office Equipment	15	3,38,650.12	2,32,503.00	1,88,445.00	7,59,598.12	2,47,152.27	85,672.97	14,133.38	3,46,958.61	-	6,59,791.78	3,38,650.12
4	Motor Cycle	40	9,691.95	-	-	9,691.95	84,129.99	3,876.78	-	88,006.77	-	5,815.17	9,691.95
6	Vehicle (Tata Sumo)	30	4,41,447.16	-	-	4,41,447.16	3,00,480.84	1,32,434.15	-	4,32,914.99	-	3,09,013.01	4,41,447.16
	Vehicle (XYLO)	30	-	-	10,86,503.00	10,86,503.00	-	-	1,62,975.45	1,62,975.45	-	9,23,527.55	
7	Electrical Fittings	10	1,18,796.84	8,150.00	33,549.00	1,60,495.84	84,339.58	12,694.68	1,677.45	98,711.71	-	1,46,123.71	1,18,796.84
	Inverter	10	-	1,21,200.00	-	1,21,200.00	-	12,120.00	-	12,120.00	-	1,09,080.00	
8	Shed	10	3,517.26	-	-	3,517.26	2,407.91	351.73	-	2,759.63	-	3,165.53	3,517.26
9	Cycles	40	1,329.74	-	37,000.00	38,329.74	10,623.26	531.90	7,400.00	18,555.16	-	30,397.84	1,329.74
10	Mobile/Land phone	15	2,00,626.41	1,19,796.00	8,999.00	3,29,421.41	77,863.51	48,063.36	674.93	1,26,601.79	-	2,80,683.12	2,00,626.41
11	Signboard	15	10,769.03	-	-	10,769.03	10,309.98	1,615.35	-	11,925.33	-	9,153.67	10,769.03
	<b>TOTAL</b>		<b>25,39,664.02</b>	<b>16,09,233.00</b>	<b>34,34,835.00</b>	<b>75,83,732.02</b>	<b>28,91,275.21</b>	<b>12,66,964.44</b>	<b>5,57,510.65</b>	<b>47,15,750.29</b>	<b>-</b>	<b>57,59,256.93</b>	<b>25,39,664.02</b>

For N. Gahan & Associates  
Chartered Accountants  
Firm Regd. No-326078E  
CA N Gahan FCA Partner  
Memb. No. 079100

For & on behalf of the Board of Directors  
Of SAMBANDH Finserve Pvt. Ltd.

Director

Managing Director

**SAMBANDH FINSERVE PRIVATE LIMITED  
JUBILEE VILLA, PLOT NO-7, SINDHI COLONY,  
MISSION HATA, SUNDERGARH-770017, ORISSA**

**CALCULATION OF INCOME-TAX LIABILITY FOR THE ASSESSMENT YEAR 2015-16:-**

<b>SAMBANDH FINSERVE PRIVATE LIMITED</b>			
COMPANY NAME:-			
PAN NO:-	<b>AACCM1716A</b>		
FINANCIAL YEAR:-	<b>2014-15</b>		
ASSESSMENT YEAR:-	<b>2015-16</b>		
	<b><u>Amount in</u></b>		
<b>Net Profit/(Loss) as per Profit &amp; Loss A/c</b>	<b>86,42,434.22</b>		
Less- Excess provision Brought back	-		
<b>Book profit as per Profit &amp; Loss A/c</b>	<b>86,42,434.22</b>		
Add: Depreciation as per Companies Act	31,54,344.07		
	1,17,96,778.29		
Less: Depreciation as per Income-Tax Act	18,24,475.09		
Net Profit as per Income-Tax Act	99,72,303.20		
<b><u>TAX LIABILITY UNDER NORMAL PROVISIONS:-</u></b>			
Tax Liability @30% on Net Profit	29,91,691.00		26,70,512.17
Add: Education Cess and SHEC @3%	89,751.00	29,91,690.96	
Add: Interest U/s 234B	-	89,750.73	(4,80,759.83)
Add: Interest U/s 234C	69,830.00		
Total Tax liability	31,51,272.00		
<b><u>TAX LIABILITY UNDER MAT U/S 115JB:-</u></b>			
Net Profit/(Loss) as per Profit & Loss A/c	86,42,434.22		
Less- Excess provision Brought back	-		
Book profit as per Profit & Loss A/c	86,42,434.22	15,98,850.33	
Tax on above @18.5%	15,98,851.00	47,965.51	

Add: Education Cess and SHEC @3%	47,966.00
Total Tax liability U/S 115JB	16,46,817.00
<b>TOTAL TAX LIABILITY</b>	
(a) Tax liability under normal provision	31,51,272.00
(b) Tax liability under MAT U/S 115JB	16,46,817.00
Tax liability is the higher of (a) and (b)	31,51,272.00
Less:- Advance Tax	22,00,000.00
Less:- Tax deducted at source	6,29,383.00
Less:- Self assessment tax paid	<b>3,21,889.00</b>
<b>Tax Payable/(Tax Refundable)</b>	-

**SAMBANDH FINSERVE PRIVATE LIMITED  
JUBILEE VILLA, PLOT NO-7, SINDHI COLONY,  
MISSION HATA, RAJGANGPUR, SUNDERGARH-770017**

**Note –24**

Notes on Accounts and Significant Accounting Policies forming an integral part of the Profit & Loss Account for the period ended on 31<sup>st</sup> March, 2015 and Balance Sheet as on that date.

**A. SIGNIFICANT ACCOUNTING POLICIES:-**

**1. Accounting Assumptions :-**

The accounts have been prepared under the historical cost convention method and on the basis of going concern concept.

**2. Fixed Assets :-**

Fixed assets are accounted for at the book value on the date transfer of such asset.

**3. Investment :-**

Investments are stated at cost.

**4. Inventories :-**

Inventories are valued at cost or market price whichever is lower.

**5. Depreciation :-**

Depreciation has been provided for in the accounts on the basis of written down value method at the rates prescribed in Schedule –II of the companies Act, 2013.

**6. Preliminary Expenses:-**

Due to the non-availability of sufficient profit it was decided by the management that Preliminary Expenses are to be amortized over 10 years instead of 5 years (as mentioned in Audit Report of 2009-10) commencing from financial year 2010-11.

**NOTES ON ACCOUNTS**

1. The company has no loan portfolio exposure in the state of Andhra Pradesh.
2. The maximum interest on loan products offered by the company is 26% per annum on reducing balance basis and the upfront fee is not more than 1% of the aggregate loan.
3. The company does not charge in excess of the insurance premium and administrative charges from clients in compliance with IRDA guidelines.
4. The company does not charge any penalty for delayed payment of dues from clients.
5. The company does not charge any penalty for pre-settlement or pre-closure of loans from clients.

6. The company also does not take collateral security and margin / security deposit for its loans since inception.
7. The margin for the MFI is 11.41% and within the prescribed cap of 12%.
8. The company's qualifying assets is Rs. 368,550,992/- and its ratio to net assets (excluding cash, balances with banks and financial institutions, government securities and money market instruments) is 93.56% which is greater than 85% as prescribed by RBI.
9. The company fulfills all conditions stipulated to be classified as an NBFC-MFI during the current financial year as specified in DNBS.CC.PD.No.250/03.10.01/2011-12 dated December 2, 2011 and as may have been updated and issued from time to time by RBI in connection with the above guidelines.
10. As on 31st March 2015, the Net Owned Funds(NOF)/Tangible Net Worth(TNW) of the company is Rs. 975.49 Lakh and the Capital to Risk-weighted Assets Ratio(CRAR) is 23.79%.
11. Staff benefits arising on retirement/death are treated on cash basis and no provisions is made on accrual basis.
12. Income recognition based on accrual basis.
13. The board is duly constituted and there is no change in the composition of the board during the period under review.

<b>LIST OF DIRECTORS, SAMBANDH FINSERVE PRIVATE LIMITED</b>			
<b>S.NO</b>	<b>NAME</b>	<b>DIN NO</b>	<b>DESIGNATION</b>
1	Mr. Deepak Kindo	01502243	Managing Director
2	Mr. Livinus Kindo	02541650	Chairman
3	Mr. Dibyalochan Jena	02541689	Director
4	Mr. Saurabh Baroi	02723687	Nominee Director
5	Mr. Prasad Kuchibhatla	02255028	Independent Director
6	Mr. Prabal Kumar Sen	02594965	Independent Director
7	Mr. Subhransu Sekhar Acharya	06727939	Nominee Director

14. The company has made following provision during the year as follows.

		₹
A)	Provision for Income Tax	3,149,252.00
B)	Provision for Preference Dividend	27,00,000.00
C)	Provision for Dividend Tax (16.995%)	540,000.00

15. The company has made the provision on its Advances Assets as per the revised Master Circular-DNBS.(PD)CC.No. 347 /03.10.38/2013-14 dated 01st July 2013 - Introduction of New Category of NBFCs - 'Non Banking Financial Company -Micro Finance Institutions' (NBFC-MFIs) - Directions of the Reserve Bank of India. The aggregate loan provision to be maintained by NBFC-MFIs at any point of time shall not be less than the higher of:-

a. 1% of outstanding loan port folio : Rs. **3,719,292.00**

or

b. 50% of the aggregate loan installments which are overdue for more than 90 days and less than 180 days and 100% of the aggregate loan installments which are overdue for 180 days or more as below,

Classification of Assets	Days	Outstanding as on 31st March 2015 Rs.	Provision %	Provision Amount
Standard Assets	0-89	371,603,673	0%	-
Non Performing Assets	90-179	18,000	50%	9,000
Non Performing Assets	180 & above	307,525	100%	307,525
	<b>Total</b>	<b>371,929,198</b>		<b>316,525</b>

As calculated from the above, the gross loan loss provision as on 31<sup>st</sup> March 2015 is taken at Rs.

**3,719,292.00.**

16. There are no related party transactions with any entities or individuals in the current financial year.

17. Separate accounting records are maintained for grant assistance under CB package of SIDBI-PSIG Grant. A separate register of Assets purchased out of the CB grant assistance is maintained. The grant amount has been completely utilised in March 2015 and all reimbursements have been duly received.

**SIDBI PSIG Capacity Building Package**  
**Receipts & Payments Account for the period 01/04/2014 to 31/03/2015**

Sl No.	Receipt	Amount	Payment	Amount
1	Grant (SIDBI PSIG, Dt. 30/06/2014)	2,12,000	<ul style="list-style-type: none"> <li>a. Advance for Software (Dt. 05/05/2013).</li> <li>b. Cost of inverter (Vide invoice No.213 dt.23/04/2014).</li> <li>c. 3 months salary of micro-pension staff (Apr, May &amp; Jun-2014).</li> <li>d. Cost of Credit bureau reports for 2 months ( Apr &amp; May-2014).</li> </ul>	2,12,000
2	Grant (SIDBI PSIG, Dt. 18/09/2014)	8,66,000	<ul style="list-style-type: none"> <li>a. Cost of Credit bureau reports for 2 months (Jun &amp; Jul-2014).</li> <li>b. Cost of Vault (Vide Invoices No.554 dt.08/08/2014, No.595 dt.22/08/2014 &amp; No.608 dt.29/08/2014).</li> <li>c. Cost of Vault Battery (Vide Invoice No.35032 dt.21/08/2014).</li> <li>d. Advance for Software (Dt.16/08/2014 &amp; 06/09/2014).</li> <li>e. 2 months salary of micro-pension staff (Jul &amp; Aug-2014).</li> <li>f. Cost of Training on Develop Risk Management system and Training on Risk Management for the Operational Head held at BBSR on dt.20/06/2014</li> <li>g. Cost of Training on Monitoring and Evaluation for Micro finance programmes, Loan appraisal, Processing, Delinquency Management etc. for BMs/Senior Staffs held at BBSR on dt.25/06/2014.</li> <li>h. Cost of Training on Capacity Building of BMs &amp; Credit Officers on Responsible/fair lending practices and adherence to RBI guidelines under the changing Business environment, held at Rourkela on dt.30/07/2014.</li> </ul>	8,66,000
3	Grant (SIDBI PSIG, Dt.24/11/2014)	74,000	<ul style="list-style-type: none"> <li>a. Cost of Credit bureau reports for 2 months (Aug &amp; Sep-2014).</li> <li>b. 2 months salary of micro-pension staff(Sep &amp; Oct-2014).</li> <li>c. Business Correspondent Exposure Visit to</li> </ul>	74,000

Centre for Development Orientation and Training (CDOT) at Patna on dt.03/09/2014.

4	Grant (SIDBI PSIG, Dt.30/03/2015)	2,10,000	a. Cost of Governance Training of Sambandh Finserve Pvt Ltd. Board members on dt.27/11/2014.	2,10,000
<b>TOTAL</b>		<b>13,62,000</b>		<b>13,62,000</b>

18. The company has undertaken a credit based Business Correspondent program under Yes Bank Ltd and has commenced operations in August 2014. The company has opened separate branches in Rourkela, Rajgangpur, Sundargarh, Jharsuguda, Bargaon, Bonaigarh, Kuchinda, Rengali and Brajrajnagar with disbursements of Rs. 108,362,500/- to 6,379 active borrowers and closing with an outstanding of Rs. 96,001,456/- as on 31st March 2015. The outstanding is on the books of the bank and the company has deposited Rs.77,00,000/- with Yes Bank Ltd towards FLDG.

19. No ECB has been availed by the Company during the period in question.

20. The company has paid the following managerial remuneration under sec. 198 of the companies Act.

	<u>Current year</u>	<u>Previous year</u>
<b>Directors Salary</b>	Rs . 421,167.00	Rs. 425,833.00
<b>Reimbursement of Medical Expenses</b>	NIL	NIL

21. **Payment to Auditor :-**

	<u>For the year ended</u>	
	<b>31.03.2015</b>	<b>31.03.2014</b>
Audit fees (Provision)	Rs. 80,000.00	Rs. 70,000.00
Tax Audit fees (Provision)	Rs. 20,000.00	Rs. 16,000.00

22. There was no contingent liability against the company.

23. Previous year's figures have been re –grouped, rearranged and recast wherever necessary so as to make them comparable with the current year's figures.

For and on behalf of  
N. Gahan & Associates  
Chartered Accountants  
Firm Regd. No-326078E  
CA. N. Gahan FCA Partner  
Membership No-079100

For and on behalf of the Board  
SAMBANDH FINSERVE PRIVATE LIMITED

Managing Director.

Director

Place: Bhubaneswar  
Date: 30th June 2015

**SAMBANDH FINSERVE PRIVATE LIMITED**  
**JUBILEE VILLA, PLOT NO-7, SINDHI COLONY,**  
**MISSION HATA, RAJGANGPUR, SUNDERGARH-770017**

**1. Registration Details**

Registration No.	:	U67120OR1996PTC011931
State Code	:	15
Balance Sheet Date	:	31.03.2015

**2. Capital raised during the period**

Public issue	:	NIL
Right issue	:	NIL
Bonus issue	:	NIL
Private issue	:	Rs.50,00,001.00

**3. Position of Mobilization and Development of funds in Rs.**

Total Equity & Liabilities	:	542,968,389.47
Total Assets	:	542,968,389.47

**Total Equity & Liabilities (in Rs.)**

Paid up Capital	:	90,784,690.00
Share Application Money	:	-
Share Premium Money	:	215,311.00
Reserve & Surplus	:	6,549,122.09
Non-Current Liabilities	:	133,355,266.00

Current Liabilities : 312,064,000.38

**Total Assets (in Rs.)**

Net Fixed Assets : 4,391,618.59

Non-Current Assets : 198,141,517.00

Current Assets : 340,435,253.88

4. **Performance of Company ( in Rs. ) :**

Revenue : 81,892,816.73

Expenses : 73,250,382.51

Profit / (Loss) before Tax : 8,642,434.22

Profit / (Loss) after Tax : 5,958,892.22

Earnings per share : 1.17%

Dividend Rate % : 9%

**For and on behalf of**

**N. Gahan & Associates**

**Chartered Accountants**

**Firm Regd. No-326078E**

**CA. N. Gahan FCA**

**Partner**

**Membership No-079100**

**Place: Bhubaneswar**

**Date: 30th June 2015**

**For and on behalf of the Board**

**SAMBANDH FINSERVE PRIVATE LIMITED**

**Managing Director.**

**Director.**