



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

# ANNUAL REPORT



*Treating every client as preferred client... .*

## MICROFINANCE

*"Without Economic freedom one cannot exercise the other freedoms we all cherish"*

*-Michael Walker*

*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 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.*



## ABOUT US

*SAMBANDH has an active client base of 67,413 and asset under management (AUM) of Rs. 9,688.94 lakh (as on 31<sup>st</sup> March, 2016)*

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 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 67,413 and AUM (asset under management) of Rs. 9,688.94 lakh (as on the end of March 2016) 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 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**

To be the most preferred MFI and the best employer in the sector with 80,000 urban and rural low income entrepreneurs by 2020.

## **Our Mission**

“To economically empower low income households by providing a broad range of client focused, responsive financial services and value added services on a continuous basis”

The mission is fulfilled by the following guiding principles:

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

## **Our 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.

Phulmati Badaik (age 43) is wife of Motilal Badaik who resides at Malgodam, a distinct slum at the centre of steel city Rourkela. She has 3 children, the eldest is a daughter and is pursuing her studies in a nearby college and the other two sons are studying in government school. Her husband works in fabrication factory with a meagre salary to meet all the essential requirements of the family. Phulmati faced difficult times in managing her household and look after the education of her children with the income that her husband made. She always had a longing to go for a job

and share the expenses but failed to do so because of her illiteracy. Finding a way out, she planned to start a small grocery shop in her vicinity which could provide her a meaningful and decent livelihood. It was this ambition that fuelled Phulmati to join some group and become a member of SAMBANDH.

Phulmati Badaik availed her first loan of Rs. 10,000/- from SAMBANDH and started a small grocery shop. Her business started yielding her good returns within a short time and she was able to add Rs. 2,500/- per month to her family income. A happy and proud Phulmati now decided to grow her business by improving the infrastructure and adding some more commodity. She completed her first cycle loan and graduated to the second cycle to avail her next loan of Rs. 25,000/-. She had gained good expertise in her business which helped her a lot to make best utilisation of the second cycle loan. Eventually, her grocery shop has now grown into a well-known store in the locality and draws several regular customers. A smiling Phulmati declares that she now contributes Rs. 6,000/- per month to her family income and is able to manage her family very well.

Today, Phulmati is immensely thankful of SAMBANDH for the financial help, which helped her grow financially and gain social dignity. She now dreams of giving a good future to her children by providing them good education. Her ambition of becoming an independent women has now matured to give her a dream of growing her business by setting up a big shop in the main market of the city.

## Stories of Success



Name : Phulmati Badaik  
Business: Grocery Shop  
Member Since: 2014



## **MESSAGE FROM THE CHAIRMAN**

A special greeting to the greatest adventurer, high risk entrepreneurial corporate entity, the Sambandh Finserve Private Ltd. on completion of the decennial life span in 2016. It is right and proper to celebrate the ten years jubilantly raising the head high in more benevolent future adventures.

The MD along with his Chief Financial Officer, Chief Operating Officer and Area Managers have laboured hard in the company of Senior Executives, Junior Executives and Field Service Officers in the devotion to duty to achieve professional efficiency of high standard. It has been indeed a relentless endeavour. Hearty congratulation to all!

It is a long cherished dream realised for me when I recollect in reminiscence the modest attempt of developing the hilly villages of the southern Gram Panchayats of Malidihi, Buchkupada, Jarakela, Budham and Kutunia of Rajgangpur block where rural set up is leading a barter-led-crypto credit life. In terms of finance, the products of Surplus Agriculture

Produce(SAP) comprising vegetables, lentils and some saleable cereals become marketable, while the bountiful seasonal harvest of Minor Forest Produce(MFP) comprising Mahul, Char, Kusum and all edible jungle mushrooms do constitute a major component of marketables. With a view to augmenting their income, a kind of participatory development model was initiated by organising a registered society by name Regional Rural Development Centre (RRDC) in 1992 advancing soft loan for agriculture, animal resources, education and health services. The attempt moved at snail pace and the concept of benevolent enterprise did not reach the level of sustainability. Right came the ideology of Sustainable Enterprise Development Framework (SEDF) engineered by Sambandh Finserve Private Ltd in 2006 with only five staff which has risen to 242. Ten years history is monumental in terms of backward and forward linkages. Decennial details will be focussed in the report today.

Four notable unique financial service areas covered by SAMBANDH need special mention here:-

- i) Out of over 6 lakh poor and bank-loan ineligible clients in Sundargarh district alone, SAMBANDH planned to cover at least 20% of them over time.
- ii ) Small business, formal and non-formal, mostly thriving on money lenders' high interest loans had to be targeted as high-risk un-secured loanees to profitably manage their micro-business with our micro-finance.



iii) Organise group lending in place of individual lending by creating Joint Liability Group (JLG) documented models of clients habituated to scheduled repayment time frame by ensuring cent percent loan-utilisation; and

iv) Diversify the coverage areas of the enterprise to agro-based products, co-operative ventures and promotion of sustainable livelihood.

As on 31<sup>st</sup> March 2016, the SFPL, as an NBFC-MFI has covered commendable strides in its march of a decade.

a) Head Office at Rourkela has a total staff strength of 69 in Human Resources Department, Finance, Accounts, Management Information System, Administration and Internal Audit. Among the Managers there are Chief Finance Officer (CFO), Chief Operating Officer (COO), 2 Regional Managers, 6 Area Managers.

b) Field operation of credit dispensation, client service and credit collection is managed by 27 Branch Managers, 102 Field Staff (FSO) and 36 Support Staff who cater to the needs of kitchen, logistics and sanitation etc.

c) Field Operation is spread over three states, namely, Odisha (13 branches), Jharkhand (3 branches) and Chhattisgarh (3 branches) manned by Branch Managers and Field Staff.

d) Departments and line functions are managed by 5 Senior Executives, 13 Junior Executives and 3 Trainee Executives. The promotion policy of the Executives is under reframing by the HR committee of the Board.

e) Leap-frogging of the SFPL in financial arena is impressive in the decadal time frame.

i) Disbursement as on 31 <sup>st</sup> March 2016	Rs. 81,36,61,008/-
ii) Outstanding as on 31 <sup>st</sup> March ( <i>own portfolio</i> )	Rs. 68,00,50,553/-
iii) Securitisation and Assignment	Rs. 12,31,78,865/-
iv) Yes Bank (BC)	Rs. 12,80,74,667/-
v) IDBI Bank (BC)	Rs. 3,75,88,503/-
vi) External liability	Rs. 76,01,53,786/-

Our strategic business plan has to have a Social Performance orientation in the years to come.

**Best regards,**

**Shri L. Kindo IAS (Retd.)**  
**Chairman,**  
**SAMBANDH Finserve Private Limited.**

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## BOARD OF DIRECTORS



*A meeting of the  
Board of Directors of  
SAMBANDH*

### **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- 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. Santanu Sarma Barua (DGM, SIDBI)- Nominee Director**

Mr. Barua is a Post Graduate in Economics from Delhi School of Economics, MBA (Finance) from NMIMS and FRM from GARP. He has a work experience of 20 years in the financial industry including commercial banking, housing finance and development banking. He also has an in-depth knowledge of market risk assessment with regard to financial industry as well as sound understanding of Economics underpinnings of risk analytics. He was involved with the Asset Liability Management function of SIDBI and was also actively involved in operationalising the Oracle software for ALM.

### **Mr. Vinod K Jha (MBA)- Independent Director**

Shri. Vinod Ku Jha is an experienced professional providing strategic business advisory solutions in the areas of finance, marketing and business development. A Science Graduate from Mumbai University, he has rich and varied experience in this field for the past 16 years. He is also closely associated with premier organisations like Carbon Minus India in the area of renewable energy and environment protection and is a supporter and advisory for championing the vision of “Zero defect-zero effect” of our Prime Minister. He also has a presence in the socio-economic space and has worked with MFIs including C-DOT, Bihar and has helped them with their strategic and sustainable growth. His core skill areas include Institutional Development, Strategic Ideation, Mentoring and Incubation in New Realms.

## ORGANISATIONAL INFORMATION



### 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

## MANAGEMENT TEAM

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

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

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

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

**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**

## OPERATIONS

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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 a predetermined time and date, tenure 50 weeks/ 24 months

Structure of Field Operations	
Particulars	Description
<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**

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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**

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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**

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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

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***“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 equalling 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

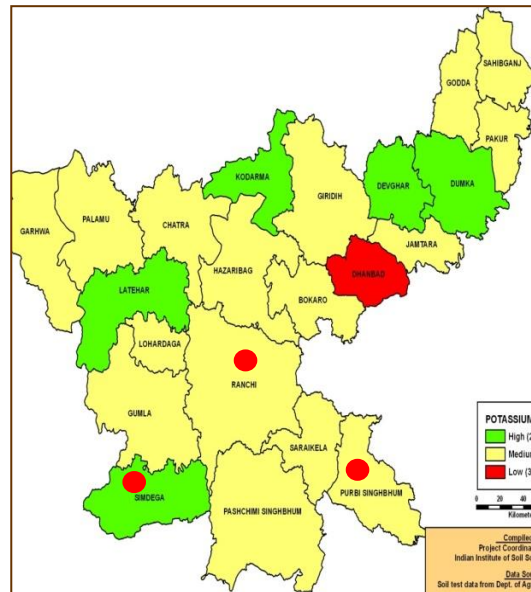
### Branch Offices

(as on 31<sup>st</sup> Mar, 2016)

Microfinance- 11

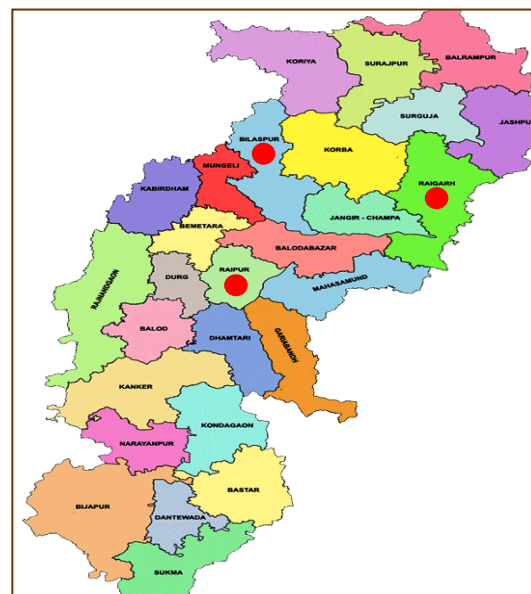
Yes Bank BC- 10

IDBI Bank BC- 07



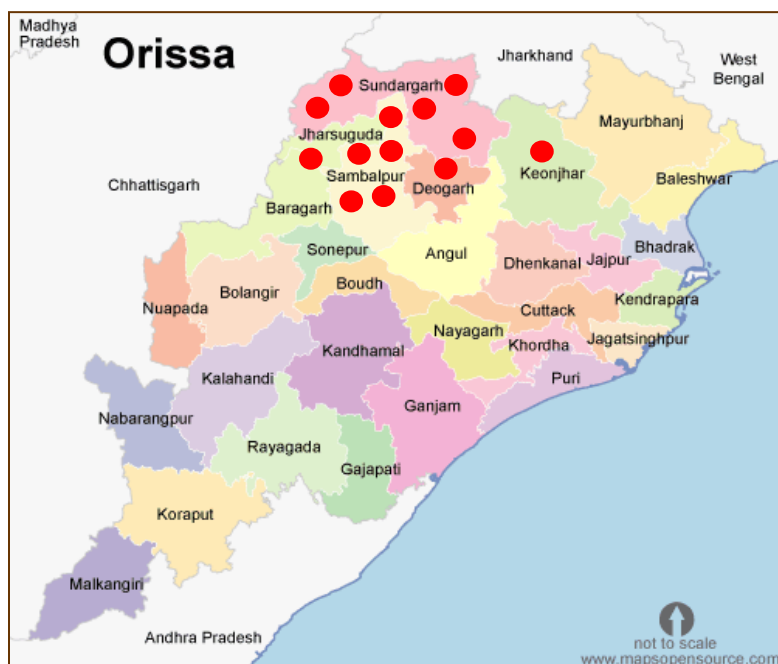
### STATE: CHHATTISGARH

Branch Offices: Bilaspur, Raigarh, Raipur



### STATE: JHARKHAND

Branch Offices: Ranchi, Simdega, Jamshedpur



## STATE: ODISHA

### Branch Offices

1. Rourkela
2. Rajgangpur
3. Deogarh
4. Bargaon
5. Belpahar
6. Bonaigarh
7. Brajrajnagar
8. Jharsuguda
9. Keonjhar
10. Kuchinda
11. Rengali
12. Sundargarh
13. Sambalpur

## SAMBANDH IN NUMBERS

Till March 31, 2016	Total
Number of Loan Disbursed	47,646
Amount of Loan Disbursed	₹ 10,135.07 Lakh
Number of Active Clients	67,413
Asset Under Management	₹ 9,692.68 Lakh
Number of Financial Services Officers	90
Number of Units	22

## Stories of Success



Name : Rebati Das  
Business: Tea Stall  
Member Since: 2014

Rebati Das (age 42), is a widow with a son and a daughter. She resides at Panposh in Rourkela. The demise of her husband happened about 10 years ago due to some critical illness and Rebati was left with her two children and no livelihood to make a living. To make her situation worse, she was denied of help by her family members. She resolved not to give up but face the situations of her life and give her children a secure future. Rebati recalls borrowing a small amount of Rs. 2,000/- from a known person which she invested to start a tea stall. Her positive mindset to face

any challenge of life kept her motivating and she conducted her daily business with utmost sincerity and dedication. Her tea stall had started yielding her a daily income of Rs. 80/- but was insufficient for fulfilling her dreams to give a secure future to her children.

As Rebati kept enquiring and thinking about ways for better livelihood, she was introduced about Microfinance by a member of SAMBANDH. Rebati immediately resolved to join a group and avail some loan to improve her tea stall. In the year 2014, she availed her first loan of Rs. 8,000/-. Rebati utilised the entire loan amount in growing her small business. She added meal service at her tea stall. Gradually, her sales picked up and she could draw many customers to have meals during lunch and dinner at her stall. She now estimates that, with the introduction of meals at her small hotel cum tea stall, her income increased from Rs. 80/- per day to Rs. 250/- per day. Rebati is also happy that she has insured herself with the Jana Shree Bima Yojna life insurance policy of LIC offered to her by SAMBANDH. She trusts, that in case of any uncertainty, she would leave back something for her children

Rebati is thankful for the financial support she got from SAMBANDH which was denied to her everywhere else. Today, she has managed to build a one room asbestos house for her family with few basic amenities. She proudly declares that her success reflects in the qualification of his son who is today a Post Graduate in Sanskrit and is preparing himself for a good employment in the field of education.



## FINANCIALS

(₹)

Operational Income	149,420,423.27
Other Income	23,169,424.30
<b>(A) Total Income</b>	<b>172,589,847.57</b>
Personnel Expenses	27,640,232.00
Administrative & Financial Expenses	123,647,435.69
Depreciation	4,024,529.35
<b>(B) Total Expenses</b>	<b>155,312,197.04</b>
<b>(C) Exceptional Items</b>	<b>0.00</b>
<b>(D) Profit/Loss for the year (A – B – C)</b>	<b>17,277,650.53</b>
<b>(E) Provision for Tax (FBT &amp; Deferred Tax Adj.</b>	<b>6,282,393.00</b>
Profit after Tax (D – E)	10,995,257.53
Profit/Loss Transfer to Reserve & Surplus	2,199,052.00
Balance brought forward from the previous year	9,485,072.62

## **PAST YEAR AT A GLANCE**

**Financial Year  
2015-16**

### **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 IDBI Bank in August 2016.
- 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 Muthoot Capital Service +Limited.

## PARTNERSHIPS

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*Co creating  
“win-win”  
for stakeholders*

### **MAS Financial Services Private Limited**

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**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**

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**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**

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**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**

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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**

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**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 FWFB'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**

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**(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**

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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**

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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**

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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**

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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.

### **MUTHOOT Capital Service Limited**

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Muthoot Capital Service Limited is the flagship company of the Muthoot Group. It was established as a gold financing company in terms of loan portfolio. Headquartered in Kerala (India), it is a 'Systemically Important Non-deposit taking NBFC' which provides personal and business loans secured by gold jewellery. Muthoot Finance provides Gold loans primarily to individuals who possess gold jewellery, but fail to access formal credit within a reasonable time; or to whom credit may not be available at all to meet unanticipated or other short-term liquidity requirements.

### **JAYAM Solutions Private Limited**

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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**

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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**

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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**

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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**

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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**

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**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.

Sunita Devi (age 48) is the wife of Arjun Kumar. Sunita and Arjun have 3 children, one daughter and two sons, who are pursuing their education. The family lives in a rented house at Basanti colony at Rourkela. Sunita runs a tailoring business with her husband to support the family. The couple owned four manually operated sewing machine to run their tailoring business for the past fifteen years. It was the need of a financial support that motivated Sunita to avail a loan from SAMBANDH to enhance her tailoring business. She became a group member in 2016 and availed

her first loan of Rs. 20,000/- to purchase a motor operated pico machine. A part of the loan amount was utilised by Sunita to purchase some readymade dress materials for retailing.

Sunita states that her prior monthly income from business ranged between Rs. 4,000/- to Rs. 5,000/- but her new investment in a pico machine has increased her monthly income between Rs. 7,000/- to Rs. 8,000/-. Her new business of retailing readymade dress materials has also picked up and Sunita now plans to add more varieties to her mini cloth store. Sunita affirms that the enhancement of her business was possible with the financial support of SAMBANDH. She is now looking at availing a higher loan in the second loan cycle to add more items to her shop like imitation jewellery and cosmetics items.

### Stories of Success



Name : Sunita Devi  
Business: Tailoring Shop  
Member Since: 2016

## PRODUCTS OFFERED

### **Credit Products:**

*Saral, Suvidha &  
Sanitation Loans*

### **Insurance Product:**

*Jana Shree Bima  
Yojna*

Three main products are offered by SAMBANDH, namely Credit and Insurance. 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 2,000 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.

## DIRECTOR'S REPORT

To,  
The Members,  
SambandhFinserve 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 Twentieth Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2016.

### 1. FINANCIAL HIGHLIGHTS

Particulars Year Ended 31st March 2016	(Amount in Rupees)	
	2015-16	2014-15
Gross Income	149,420,423.27	73,250,284.81
Profit Before Interest and Depreciation	213,021,798.88	12,346,778.29
Finance Charges	99,483,978.00	43,480,410.00
Gross Profit	17,277,650.53	8,642,434.22
Provision for Depreciation	4,024,529.35	3,704,344.07
Net Profit Before Tax	17,277,650.53	8,642,434.22
Proposed Dividend on Preference Shares	2,700,000.00	2,700,000.00
Tax on proposed Dividend	549,656.00	540,000.00
Transfer to General Reserve	2,199,052.00	1,191,374.00
Surplus carried to Balance Sheet	5,546,549.53	1,525,498.22

## 2. PRESENT INDUSTRY SCENARIO

In 2015-16, the microfinance industry consolidated mainly due to the Government's importance on financial inclusion. In the present scenario, the MFIs are catering to the needs of financially downtrodden both in urban and rural areas. 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 31<sup>st</sup> March, 2016, on aggregated basis have a branch network of 9,669 and employee base of 85,888 of which 62% are loan officers (i.e. 53,834) who provide door-step credit to low- income clients served by MFIs.
- As of 31<sup>st</sup> Mar 2016, MFIs provided microcredit to 3.25 Cr clients, an increase of 44% over FY 14-15
- The aggregate gross loan portfolio (GLP) of MFIs stood at Rs. 53,233 Cr (excluding non-performing portfolio i.e. PAR > 180 days in Andhra Pradesh). This represents a YOY growth of 84% over FY 14-15 and an increase of 24% over the last quarter.
- Annual loan amount disbursements in FY 15-16 reached Rs. 61,860 Cr, representing increase of 65% compared to FY 14-15
- Total number of loans disbursed by MFIs grew to 3.47 Cr, increase of 36% in FY 15-16 compared with FY 14-15
- Portfolio at Risk (PAR) figures remained under 1% for FY 15-16
- Average loan amount disbursed per account last year was Rs. 17,805. The figure for FY 14-15 was Rs. 14,731
- MFIs now cover 30 states/union territories
- In terms of regional distribution (for GLP), south is 35%, east at 15%, north at 25% and west at 25%

- Productivity ratios for MFIs continued to move upwards. Avg GLP per branch is now at Rs. 5.5 Cr, up by 51% over FY 14-15 and Avg GLP per loan officer Rs. 99 lakhs, 33% more from the last year i.e. FY 14-15
- Insurance (credit life) to over 3.7 Cr clients with sum insured of Rs. 59,834 Cr was extended through MFI network
- Pension accounts were extended to 23 Lakhs clients through MFI network

### 3. SHARE CAPITAL

As on March 31, 2016 the authorized Capital of SFPL was Rs. 15,00,00,000/- (Rupees Fifteen Crores only) divided into 1,20,00,000 (One Crore Twenty 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. 11,80,57,420/- (Rupees Eleven Crore Eighty Lacs Fifty Seven Thousand Four Hundred Twenty Only) divided into 88,05,742 (Eighty Eight Lacs Five Thousand Seven Hundred Forty Two 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,	DIRECTOR	21/04/2009



		ROURKELA, 770017, ORISSA, INDIA		
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
06723830	VINOD KUMAR JHA	303, TULSI – SHYAM HIGHWAY JUNCTION, WAGLE, P.O THANE 400604 MAHARASTRA,	DIRECTOR	04/12/2015
07351144	SANTANU SARMA BARUA	4/A001, KALYANI APARTMENTS UNIT-8, NEAR POWER HOUSE BHUBANESWAR 751012 ORISSA INDIA	NOMINEE DIRECTOR	04/12/2015

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

SL. NO.	DATE OF BOD'S MEETING	DIRECTOR'S PRESENT
<b>01</b>	<b>07/05/2015</b>	1. Sri. Livinus Kindo I.A.S (Rtd.) Chairman, SFPL 2. Sri. Deepak Kindo, MD, SFPL 3. Sri. Dibyalochan Jena, Director, SFPL 4. Sri. Subhranshu Acharya , Nominee Director, SIDBI 5. Sri. Prabal Kumar Sen, Independent Director, SFPL 6. Sri. Saurabh Baroi, Nominee Director, DIA VIKAS 7. Sri. Kuchibhatla Prasad, Independent Director, SFPL 8. Sri. Gopinath Nayak, CS, SFPL 9. Sri. Nityananda Gahan, CA, SFPL 10. Sri. James Dinesh Raj, COO, SFPL
<b>02</b>	<b>08/08/2015</b>	1. Sri. Livinus Kindo I.A.S (Rtd.) Chairman, SFPL 2. Sri. Deepak Kindo, MD, SFPL 3. Sri. Dibyalochan Jena, Director, SFPL 4. Sri. Subhranshu Acharya , Nominee Director, SIDBI 5. Sri. Prabal Kumar Sen, Independent Director, SFPL 6. Sri. Saurabh Baroi, Nominee Director, DIA VIKAS

		7. Sri. Kuchibhatla Prasad, Independent Director, SFPL 8. Sri. Gopinath Nayak, CS, SFPL 9. Sri. James Dinesh Raj, COO, SFPL
<b>03</b>	<b>04/12/2015</b>	1. Sri. Livinus Kindo I.A.S (Rtd.) Chairman, SFPL 2. Sri. Deepak Kindo, MD, SFPL 3. Sri. Vinod Jha, Independent Director, SFPL 4. Sri. Prabal Kumar Sen, Independent Director, SFPL 5. Sri. Saurabh Baroi, Nominee Director, DIA VIKAS 6. Sri. Kuchibhatla Prasad, Independent Director, SFPL 7. Santanu Sarma Barua, Nominee Director, SIDBI 8. Sri. Gopinath Nayak, CS, SFPL 9. Sri. James Dinesh Raj, COO, SFPL 10. Sri. Saneesh Singh, MD, DIA VIKAS, Invitee
<b>04</b>	<b>23/12/2015</b>	1. Sri. Livinus Kindo I.A.S (Rtd.) Chairman, SFPL 2. Sri. Deepak Kindo, MD, SFPL 3. Sri. Saurabh Baroi, Nominee Director, DIA VIKAS, Through Teleconference 4. Sri. Santanu Sarma Barua, Nominee Director, SIDBI 5. Sri. Gopinath Nayak, CS, SFPL
<b>05</b>	<b>29/03/2016</b>	1. Sri. Livinus Kindo I.A.S (Rtd.) Chairman, SFPL 2. Sri. Deepak Kindo, MD, SFPL 3. Sri. Santanu Sarma Barua, Nominee Director, SIDBI 4. Sri. Saurabh Baroi, Nominee Director, DIA VIKAS 5. Sri. Kuchibhatla Prasad, Independent Director, SFPL through teleconferencing. 6. Sri. Prabal Kumar Sen, Independent Director, SFPL 7. Vinod Jha, Independent Director. 8. Sri. Gopinath Nayak, CS, SFPL 9. Sri. James Dinesh Raj, CFO, SFPL

## 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	<b>Nil</b>	Name(s) of the related party and nature of relationship	<b>NA</b>
Nature of contracts/ arrangements/transactions	<b>Nil</b>	Nature of contracts/ arrangements/transactions	<b>NA</b>

Duration of the contracts / arrangements/transactions	<b>NA</b>	Duration of the contracts / arrangements/transactions	<b>NA</b>
Salient terms of the contracts or arrangements or transactions including the value, if any	<b>NA</b>	Salient terms of the contracts or arrangements or transactions including the value, if any	<b>NA</b>
Justification for entering into such contracts or arrangements or transactions	<b>NA</b>	Date(s) of approval by the Board, if any	<b>NA</b>
Date(s) of approval by the Board	<b>NA</b>	Amount paid as advances, if any	<b>NIL</b>
Amount paid as advances, if any	<b>Nil</b>		
Date on which the special resolution was passed in general meeting as required under first proviso to section 188	<b>NA</b>		

## 10. STATE OF THE COMPANY'S AFFAIRS

Your Company during FY 2015-16, 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 18,432 new borrowers and also opened 11 new branches in the States of Odisha, Jharkhand and Chhattisgarh. While the employee strength increased to 242 from 174 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 2015-2016 are as follows:

<b>Year Ended</b>	<b>2016</b>	<b>2015</b>
<b>Branches</b>	11	8
<b>Districts</b>	8	5
<b>Centres</b>	1,871	1,169
<b>Active Borrowers</b>	53,490	35,058
<b>Loans Disbursed (Rs.Cr)</b>	81.37	37.38
<b>Portfolio Outstanding (Rs.Cr)</b>	68.01	37.19
<b>Total Employees</b>	242	174

## **11. RESERVE**

The Company has adequate Reserve and Surplus and total Reserve at the beginning of the year was Rs. 67.62 Lakhs and during the year an amount of Rs. 104.73 Lakhs was transferred to reserve Account making the total Reserve Rs.172.35 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.74.14 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 Life of the Government of India.

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

During the year under review, Small Industries Development Bank of India (SIDBI) withdrew nomination of its nominee Mr. Subhranshu Sekhar Acharya and nominated Mr. Santanu Sarma Barua as its nominee on the Board of the Company in December, and Mr. Vinod Kumar Jha appointed as the Independent Director of the Company. The Board is duly constituted.

The Board wish to place on record its appreciation for the valuable contribution of Mr. Subhranshu Sekhar Acharya in the sustained growth of the Company during his tenure as Director of the Company.

## **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 Business. The International Audit Department 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.

DISB  
O/S  
EXTERNAL LIABILITY

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

**Place:** Rourkela

**Date:** 03.09.2016

**Chairman**

## ANNEXURES TO DIRECTOR'S REPORT

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

<b>Form No. MGT-9</b>  <b>EXTRACT OF ANNUAL RETURN</b>  <b>As on the financial year ended on 31/03/2016</b>  <b>[Pursuant to Section 92(3) of the Companies Act, 2013</b>  <b>and</b>  <b>Rule 12(1) of the Companies (Management and Administration) Rules, 2014]</b>
--

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 Code      Area 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</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</b>	<b>% to total turnover of the</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]

<b>S. NO</b>	<b>NAME AND ADDRESS OF THE COMPANY</b>	<b>CIN/GLN</b>	<b>HOLDING/ SUBSIDIARY / ASSOCIATE</b>
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-2015]				No. of Shares held at the end of the year[As on 31-March-2016]				% Change during the year
	De mat	Physical	Total	% of Total Shares	De mat	Physical	Total	% of Total Shares	
<b>A. Promoter s</b>									
(1) <b>Indian</b>									
a) Individual/ HUF	-	31,00,000	31,00,000	51	-	58,27,273	58,27,273	66.17	+15.17
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	51	-	58,27,273	58,27,273	66.17	+15.17
<b>B. Public Shareholding</b>									
1. Institutions									

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>	-								
<b>2. Non-Institutions</b>									
a) Bodies Corp.	-	2978469	2978469	49	-	2978469	2978469	33.83	-15.18
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>	-	2978469	2978469	49	-	2978469	2978469	33.83	-15.18
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>	-	6078469	6078469	100		8805742	8805742	100	

## B) Shareholding of Promoter-

S N	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	6.49	-	2248636	25.53	-	+19.04
2	Mr. Livinus Kindo	318000	5.23	-	668910	7.59	-	+2.36
3	Mr. Dibyalochan Jena	60000	0.98	-	60000	0.68	-	-0.30
4	Mrs. M. M. Kindo	77000	1.27	-	599727	6.81	-	+5.54
5	Mr. Alok Tirkey	2250000	37.01	-	2250000	25.55	-	-11.46



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

S N	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	51	58,27,273	66.17
	Date wise Increase / 04/12/2015	804546		3904546	
	29/03/2016	1818182		5722859	
	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	34.15	58,27,273	66.17

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	2978469	49.00	2978469	33.82
	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	2978469	49.00	2978469	33.82

E) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel DEEPAK KINDO	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	6.49	2248636	25.53
	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	6.49	2248636	25.53

SN	Shareholding of each Directors and each Key Managerial Personnel LIVNUS KINDO	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	318000	5.23	668910	7.59
	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	318000	5.23	668910	7.59

SN	Shareholding of each Directors and each Key Managerial Personnel DIBYA LOCHAN JENA	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	60000	0.98	60000	0.68
	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	60000	0.98	60000	0.68

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>				
i) Principal Amount	409376291.00	10451744.00		419828035.00
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	409376291.00	10451744.00		419828035.00
<b>Change in Indebtedness during the financial year</b>				
* Addition	332112495.8	36595766.00		368708251.80
* Reduction				

<b>Net Change</b>				
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	741488786.80	47047500.00		788536286.80
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	741488786.80	47047500.00		788536286.80

## 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		1140044.00
	(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		
	(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		1140044.00

*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	-	-	-	-	-

**CHAIRMAN**

# 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 financial statements of SAMBANDH FINSERVE PRIVATE LIMITED. ('the Company'), which comprise the balance sheet as at 31 March 2016, 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 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 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 2016 and its profit and its cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements.**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" 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 standalone 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 representations received from the directors as on 31 March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure **B**"; and

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

- i. The Company did not have any pending litigations which would impact its financial position.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and protection Fund by the Company.

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

**CA. N. Gahan FCA**  
**Partner**

**Place: Bhubaneswar**

**Mem No.079100**

**Date: 21st June 2016**

## **“ANNEXURE – A” TO AUDITOR'S REPORT**

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

Based on the audit procedures performed for the purpose of reporting a true & fair view on the financial statements of the company and taking in to consideration the information and explanation given to us and the books of account and other records examined by us in the normal course of audit, 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) According to the information and explanations received by us, as the company owns no immovable properties, the requirement on reporting whether title deeds of immovable properties held in the name of the company is not applicable.
2. The company is a Non Banking Finance Company and does not have 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 is no overdue for more than 90 days amounts in respect of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act.

4. 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 complied with the provisions of sections 185 and 186 of the company Act, 2013 in respect of loans, investments, guarantees, and security.
5. The Company has not accepted any deposits from public.
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 2016 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.

8. 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.

9. Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised money by way of initial public offer or further public offer including debt instruments and term loans during the year. Accordingly, paragraph 3 (ix) of the order is not applicable.
10. Based upon the audit procedures performed and information and explanations given by the management, we report that, no material fraud by the company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. Based upon the audit procedures performed and information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the companies Act.
12. In our opinion and according to the information and explanations given to us the company is not a Nidhi Company. Therefore, the provisions of clause 4(xii) of the order are not applicable to the Company.
13. In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the financial Statements as required by the applicable accounting Standard.
14. According to the information and explanations given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into any non cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the order is not applicable.

16. The Company is required to be registered under section 45-IA of the Reserve Bank of India Act 1934 and such registration has been obtained by the company.

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

**Place: Bhubaneswar**

**Date:-21<sup>st</sup> June 2016**

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

**“Annexure B” to the Independent Auditors Report of even date on the standalone Financial Statements of Sambandh Finserve Private Limited.**

**Report on the Internal Financial Controls under clause (i) of Sub section 3 of section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of **Sambandh Finserve Private Limited** (“the Company”) as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the company for the year ended on that date.

**Managements Responsibility for Internal Financial Controls**

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

**Auditors Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act,



2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purpose in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in

accordance with authorisations of management and directors of the company; and  
(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**Place: Bhubaneswar**

**Date: 21st June 2016**

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

## BALANCE SHEET AS AT 31<sup>st</sup> MARCH 2016

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

### BALANCE SHEET AS AT 31ST MARCH 2016

(Amount in INR)

Particulars		Note No.	As at 31st March 2016	As at 31st March 2015
1		2	3	4
<b>I.</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Shareholders' funds</b>			
	(a) Share capital	1	118,057,420.00	90,784,690.00
	(b) Reserves and surplus	2	17,235,286.62	6,762,413.09
<b>2</b>	<b>Share application money pending allotment</b>		-	-
<b>3</b>	<b>Non-current liabilities</b>			
	(a) Long-term borrowings	3	249,376,350.76	129,736,360.00
	(b) Deferred tax liabilities (Net)		-	-
	(c) Other Long term liabilities		-	-
	(d) Long-term provisions	4	6,800,506.00	3,719,292.00
<b>4</b>	<b>Current liabilities</b>			
	(a) Short-term borrowings	5	510,777,436.04	285,639,931.00
	(b) Trade payables		-	-
	(c) Other current liabilities	6	9,020,291.00	18,550,780.38
	(d) Short-term provisions	7	12,481,432.00	7,875,309.00
	<b>TOTAL</b>		<b>923,748,722.42</b>	<b>543,068,775.47</b>
<b>II</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-current assets</b>			
	(a) <u>Fixed assets</u>	8		

	(i) Tangible assets		5,302,316.24	4,391,618.59
	(ii) Intangible assets		-	-
	(iii) Capital work-in-progress		-	-
	(iv) Intangible assets under development		-	-
	(b) Non-current investments	9	119,000,000.00	64,250,000.00
	(c) Deferred tax assets (net)	23	478,740.00	478,740.00
	(d) Long-term loans and advances	10	284,478,011.00	122,378,405.00
	(e) Other non-current assets	11	2,938,748.00	3,334,372.00
<b>2</b>	<b>Current assets</b>			
	(a) Current investments	12	40,300,637.00	59,036,389.00
	(b) Inventories		-	-
	(c) Trade receivables		-	-
	(d) Cash and cash equivalents	13	38,968,806.00	23,044,946.46
	(e) Short-term loans and advances	14	405,348,019.00	255,959,660.00
	(f) Other current assets	15	26,933,445.18	10,194,644.42
	<b>TOTAL</b>		<b>923,748,722.42</b>	<b>543,068,775.47</b>

**For N. Gahan & Associates**  
**Chartered Accountants**  
**Firm Regd. No-326078E**

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

**CA. N. Gahan FCA**  
 Partner

Mem. No.079100  
 Place : Bhubaneswar  
 Date : 21st June 2016

**DIRECTOR**

**MANAGING DIRECTOR**

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31.03.2016

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 2016 (Amount in INR)

Particulars		Not e No.	For the year ended 31st March 2016	For the year ended 31st March 2015
	<b>Income:</b>			
I.	Revenue From Operations	16	149,420,423.27	73,250,284.81
II.	Other income	17	23,169,424.30	8,742,917.92
III.	<b>Total Revenue (I + II)</b>		<b>172,589,847.57</b>	<b>81,993,202.73</b>
IV.	<b>Expenses:</b>			
	Employee benefits expense	18	27,640,232.00	13,350,924.00
	Finance costs	19	99,483,978.00	43,480,410.00
	Depreciation and amortization expense	20	4,024,529.35	3,704,344.07
	Provision for loan loss	21	3,456,041.00	1,754,189.00
	Miscellaneous Expenditure Written-off		-	-
	Other expenses	22	20,707,416.69	11,060,901.44
	<b>Total expenses</b>		<b>155,312,197.04</b>	<b>73,350,768.51</b>
V.	<b>Profit before exceptional and extraordinary items and tax (III-IV)</b>		<b>17,277,650.53</b>	<b>8,642,434.22</b>
VI.	Exceptional items			-
VII.	<b>Profit before extraordinary items and tax (V - VI)</b>		<b>17,277,650.53</b>	<b>8,642,434.22</b>
VIII.	Extraordinary Items			-
IX.	<b>Profit before tax (VII- VIII)</b>		<b>17,277,650.53</b>	<b>8,642,434.22</b>
X.	Tax expense:			

	(1) Current tax		6,282,393.00	3,151,272.00
	(2) Additional Income Tax Provision FY 2013-14		-	13,030.00
	(3) Deferred tax	23	-	-478,740.00
<b>XI.</b>	<b>Profit/(Loss) for the period from continuing operations (IX - X)</b>		<b>10,995,257.53</b>	<b>5,956,872.22</b>
<b>XII.</b>	Profit/(loss) from discontinuing operations		-	-
<b>XIII.</b>	Tax expense of discontinuing operations		-	-
<b>XIV</b>	<b>Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)</b>		-	-
<b>XV.</b>	<b>Profit (Loss) for the period (XI + XIV)</b>		<b>10,995,257.53</b>	<b>5,956,872.22</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>10,995,257.53</b>	<b>5,956,872.22</b>
<b>( C )</b>	Special Reserve under 45IC of RBI Act,1934:- 20% Profit/ loss (XV)		2,199,052.00	1,191,374.00
	Provision for preference Dividend for SIDBI (9%)		2,700,000.00	2,700,000.00
	Provision for dividend Tax (U/s-115-O) (20.357647%)		549,656.00	540,000.00
	Profit/ Loss transferred to Reserve & surplus		5,546,549.53	1,525,498.22
<b>XVI.</b>	<b>Earnings per equity share:</b>			
	Basic & Diluted		1.25	1.17

**For N. Gahan & Associates  
Chartered Accountants**

**Firm Regd. No-326078E**

**CA. N. Gahan FCA**  
Partner

**Memb. No.079100**

Place : Bhubaneswar  
Date : 21st June 2016

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

**DIRECTOR    MANAGING DIRECTOR**

Note  
1

		Amount in INR		
Share Capital	As at 31st March 2016		As at 31st March 2015	
	Number	Amount (Rs.)	Number	Amount (Rs.)
<b><u>Authorised</u></b>				
Preference shares of Rs.10/- each	3,000,000	30,000,000.00	3,000,000.00	30,000,000.00
Equity Shares of Rs.10/- each	12,000,000	120,000,000.00	8,000,000	80,000,000.00
<b>TOTAL</b>	<b>15,000,000</b>	<b>150,000,000.00</b>	<b>11,000,000.00</b>	<b>110,000,000.00</b>
<b><u>Issued</u></b>				
Preference shares of Rs.10/-each	3,000,000	30,000,000.00	3,000,000.00	30,000,000.00
Equity Shares of Rs.10/- each	8,805,742	88,057,420.00	6,078,469.00	60,784,690.00
<b>TOTAL</b>	<b>11,805,742</b>	<b>118,057,420.00</b>	<b>9,078,469.00</b>	<b>90,784,690.00</b>
<b><u>Subscribed &amp; Fully Paid-up</u></b>				
Preference shares of Rs.10/-each	3,000,000	30,000,000.00	3,000,000.00	30,000,000.00
Equity Shares of Rs.10/- each	8,805,742	88,057,420.00	6,078,469.00	60,784,690.00
<b><u>Subscribed but not fully Paid up</u></b>				
Preference shares of Rs.10/- each	-	-	-	-
Equity Shares of Rs.10/- each	-	-	-	-
<b>TOTAL</b>	<b>11,805,742</b>	<b>118,057,420.00</b>	<b>9,078,469.00</b>	<b>90,784,690.00</b>



**Note  
1-a**

Particulars	Preference Shares			
	As at 31st March 2016		As at 31st March 2015	
	Number	Amount(Rs.)	Number	Amount(Rs.)
Shares outstanding at the beginning of the period	3,000,000	30,000,000.00	3,000,000.00	30,000,000.00
Shares Issued during the period	-	-	-	-
Shares bought back during the period	-	-	-	-
Any other movement	-	-	-	-
Shares o/s at the end of the period	3,000,000	30,000,000.00	3,000,000.00	30,000,000.00
Particulars	Class-B Equity Shares			
	As at 31st March 2016		As at 31st March 2015	
	Number	Amount(Rs.)	Number	Amount(Rs.)
Shares outstanding at the beginning of the period	6,078,469	60,784,690.00	5,600,000	56,000,000.00
Shares Issued during the period	2,727,273	27,272,730.00	478,469	4,784,690.00
Shares outstanding at the end of the period	<b>8,805,742</b>	<b>88,057,420.00</b>	<b>6,078,469</b>	<b>60,784,690.00</b>

**Note  
1-b**

Name of Shareholder	Preference Shares			
	As at 31st March 2016		As at 31st March 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
SIDBI (Optionally Convertible Preference Share)	3,000,000	100.00	3,000,000.00	100.00
<b>TOTAL</b>	<b>3,000,000</b>	<b>100.00</b>	<b>3,000,000.00</b>	<b>100.00</b>

Name of Shareholder	Equity Shares			
	As at 31st March 2016		As at 31st March 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr. Deepak Kindo	2,248,636	25.54	395,000	6.50
Mr. Livinus Kindo	668,910	7.60	318,000	5.23
Mr. Dibyalochan Jena	60,000	0.68	60,000	0.99
Mrs. M. M. Kindo	599,727	6.81	77,000	1.27
Mr. Alok Tirkey (Friends of Sambandh Trust)	2,250,000	25.55	2,250,000	37.02
Dia Vikas Capital Private Limited	2,978,469	33.82	2,978,469	49.00
<b>TOTAL</b>	<b>8,805,742</b>	<b>100.00</b>	<b>6,078,469</b>	<b>100.00</b>

**Note  
1-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
<b>Equity 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

**Note  
2**

<b>Reserves &amp; Surplus</b>	<b>As at 31st March 2016</b>	<b>As at 31st March 2015</b>
	<b>Amount (Rs.)</b>	<b>Amount (Rs.)</b>
<b><u>a. Securities Premium Account</u></b>		
Opening Balance	215,311.00	-
Add : Securities premium credited on Share issue	2,727,272.00	215,311.00
Less : Premium Utilised for various reasons	-	-
Closing Balance	<b>2,942,583.00</b>	<b>215,311.00</b>
<b><u>b. Surplus</u></b>		
Opening balance	3,938,523.09	2,413,024.87
(+) Net Profit/(Net Loss) For the current period	10,995,257.53	5,956,872.22
(+) Transfer from Reserves		-
(-) Proposed Dividends	2,700,000.00	2,700,000.00
(-) Dividends Tax	549,656.00	540,000.00
(-) Transfer to Reserves(u/s.45IC-RBI)	2,199,052.00	1,191,374.00
Closing Balance	<b>9,485,072.62</b>	<b>3,938,523.09</b>
<b><u>I. Reserve Fund(Sec.45IC-RBI)</u></b>		
Opening Balance	2,608,579.00	1,417,205.00
(+) Current period Transfer	2,199,052.00	1,191,374.00
(-) Written back in Current period	-	-
Closing Balance	<b>4,807,631.00</b>	<b>2,608,579.00</b>
<b>TOTAL</b>	<b>17,235,286.62</b>	<b>6,762,413.09</b>

**Note  
3**

Long Term Borrowings	As at 31st March 2016	As at 31st March 2015
	Amount(Rs.)	Amount(Rs.)
<p><b>(i) Secured Loans:</b></p> <p><b>(A) Borrowings from Ananya Finance for Inclusive Growth Private Limited :-</b></p> <p>Opening Balance 19,861,107.00 -</p> <p>Add:- Loan received during the year 40,000,000.00 25,000,000.00</p> <p>Less:- Loan repaid during the year 21,388,902.00 5,138,893.00</p> <p><b>TOTAL(B) 38,472,205.00 19,861,107.00</b></p> <p><b>Out of (A) above</b></p> <p>(A1) Borrowings from Ananya F.I.G. Pvt Ltd. due less than 1 year 27,361,097.00 15,138,897.00</p> <p>(A2) Borrowings from Ananya F.I.G. Pvt Ltd. due greater than 1 year 11,111,108.00 4,722,210.00</p> <p><b>(B) Borrowings from MAS Financial Services Ltd :-</b></p> <p>Opening Balance 203,541,665.00 108,749,993.00</p> <p>Add:- Loan received during the year 220,000,000.00 200,000,000.00</p> <p>Less:- Loan repaid during the year 176,249,994.00 105,208,328.00</p> <p><b>TOTAL(C) 247,291,671.00 203,541,665.00</b></p> <p><b>Out of (B) above</b></p> <p>(B1) Borrowings from MAS Financial Services Ltd. due less than 1 year 179,791,669.00 132,499,992.00</p> <p>(B2) Borrowings from MAS Financial Services Ltd. due greater than 1 year 67,500,002.00 71,041,673.00</p> <p><b>(C) Borrowings from IDBI Bank :-</b></p> <p>Opening Balance 32,500,008.00 10,000,000.00</p>		

Add:- Loan received during the year	30,000,000.00	30,000,000.00
Less:- Loan repaid during the year	20,000,008.00	7,499,992.00
<b>TOTAL(E)</b>	<b>42,500,000.00</b>	<b>32,500,008.00</b>
<b>Out of (C) above</b>		
(C1) Borrowings from IDBI Bank due less than 1 year	11,430,000.00	20,000,008.00
(C2) Borrowings from IDBI Bank due greater than 1 year	31,070,000.00	12,500,000.00
<b>(D) Borrowings from CANARA BANK :-</b>		
Opening Balance	23,235,609.00	30,000,000.00
Add:- Loan received during the year	-	-
Less:- Loan repaid during the year	10,326,936.00	6,764,391.00
<b>TOTAL(F)</b>	<b>12,908,673.00</b>	<b>23,235,609.00</b>
<b>Out of (D) above</b>		
(D1) Borrowings from Canara Bank due less than 1 year	10,326,936.00	10,326,936.00
(D2) Borrowings from Canara Bank due greater than 1 year	2,581,737.00	12,908,673.00
<b>(E) Borrowings from UCO Bank :-</b>		
Opening Balance	6,728,368.00	5,000,000.00
Add:- Loan received during the year	40,000,000.00	5,000,000.00
Less:- Loan repaid during the year	8,989,500.00	3,271,632.00
<b>TOTAL(G)</b>	<b>37,738,868.00</b>	<b>6,728,368.00</b>
<b>Out of (E) above</b>		
(F1) Borrowings from UCO Bank due less than 1 year	16,665,332.00	3,332,000.00

(E2) Borrowings from UCO Bank due greater than 1 year	21,073,536.00	3,396,368.00
<b>(F) Borrowings from IFMR Capital Finance Private Limited :-</b>		
Opening Balance	88,211,867.00	-
Add:- Loan received during the year	200,000,000.00	100,000,000.00
Less:- Loan repaid during the year	118,116,151.00	11,788,133.00
<b>TOTAL(H)</b>	<b>170,095,716.00</b>	<b>88,211,867.00</b>
<b>Out of (FG) above</b>		
(F1) Borrowings from IFMR Capital Finance Pvt. Ltd due less than 1 year	126,772,923.00	70,168,632.00
(F2) Borrowings from IFMR Capital Finance Pvt. Ltd due greater than 1 year	43,322,793.00	18,043,235.00
<b>(G) Borrowings from Reliance Home Finance Limited :-</b>		
Opening Balance	27,675,372.00	-
Add:- Loan received during the year	-	30,000,000.00
Less:- Loan repaid during the year	27,675,372.00	2,324,628.00
<b>TOTAL(I)</b>	<b>-</b>	<b>27,675,372.00</b>
<b>Out of (G) above</b>		
(G1) Borrowings from Reliance Home Finance Ltd due less than 1 year	-	27,675,372.00
(G2) Borrowings from Reliance Home Finance Ltd due greater than 1 year	-	-
<b>(H) Borrowings from Reliance Capital Limited :-</b>		
Opening Balance	-	-
Add:- Loan received during the year	150,000,000.00	-

Less:- Loan repaid during the year	39,996,973.00	-
<b>TOTAL(I)</b>	<b>110,003,027.00</b>	<b>-</b>
<b>Out of (I) above</b>		
(H1) Borrowings from Reliance Capital Ltd due less than 1 year	82,868,765.95	
(H2) Borrowings from Reliance Capital Limited greater than 1 year	27,134,261.05	-
<b>(I) Muthoot Capital Services Limited. :-</b>		
Opening Balance	-	-
Add:- Loan received during the year	50,000,000.00	-
Less:- Loan repaid during the year	-	-
<b>TOTAL(I)</b>	<b>50,000,000.00</b>	<b>-</b>
<b>Out of (I) above</b>		
(I1) Borrowings from Muthoot Capital Services Limited due less than 1 year	25,000,000.00	-
(I2) Borrowings from Muthoot Capital Services Limited greater than 1 year	25,000,000.00	-
<b>(J) Vehicle Loan. :-</b>		
Opening Balance	1,286,465.00	431,116.00
Add:- Loan received during the year	1,249,490.00	977,796.00
Less:- Loan repaid during the year	315,030.00	122,447.00
<b>TOTAL(J)</b>	<b>2,220,925.00</b>	<b>1,286,465.00</b>
<b>Out of (J) above</b>		
(J1) Vehicle Loan due less than 1 year	303,011.29	162,264.00
(J2) Vehicle Loan due greater than 1 year	1,917,913.71	1,124,201.00

<b>GRAND TOTAL LESS THAN 1 YEAR (A1+B1+C1+D1+E1+F1+G1+H1+I1+J1)</b>	<b>480,519,734.24</b>	<b>279,304,101.00</b>
<b>GRAND TOTAL GREATER THAN 1 YEAR (A2+B2+C2+D2+E2+F2+G2+H2+I2+J2)</b>	<b>230,711,350.76</b>	<b>123,736,360.00</b>
<b>(ii) Unsecured Loans: From Banks and Financial Institutions:</b>		
<b>(A) Borrowings from Dia Vikas Capital Pvt Ltd. :-</b>		
Opening Balance	10,000,000.00	10,714,285.00
Add:- Loan received during the year	30,000,000.00	10,000,001.00
Less:- Loan repaid during the year	12,000,000.00	10,714,286.00
<b>TOTAL(A)</b>	<b>28,000,000.00</b>	<b>10,000,000.00</b>
<b>Out of ( A ) above</b>		
(A1) Borrowings from Dia Vikas Capital Pvt Ltd. due less than 1 year	16,000,000.00	4,000,000.00
(A2) Borrowings from Dia Vikas Capital Pvt Ltd. due greater than 1 year	12,000,000.00	6,000,000.00
<b>(B) Borrowings from FWWB, India(WATSAN) :-</b>		
Opening Balance	451,744.00	4,003,534.00
Add:- Loan received during the year	-	-
Less:- Loan repaid during the year	451,744.00	3,551,790.00
<b>TOTAL(B)</b>	<b>-</b>	<b>451,744.00</b>
<b>Out of (B) above</b>		
(B1) Borrowings from FWWB, India(WATSAN) due less than 1 year	-	451,744.00
(B2) Borrowings from FWWB, India(WATSAN) due greater than 1 year	-	-



<b>(C) Borrowings from SIDBI :-</b>  Opening Balance Add:- Loan received during the year Less:- Loan repaid during the year  <b>TOTAL(B)</b>  <b>Out of (B) above</b> (B1) Borrowings from SIDBI due less than 1 year (B2) Borrowings from SIDBI due greater than 1 year  <b>TOTAL LESS THAN 1 YEAR (A1+B1)</b> <b>TOTAL GREATER THAN 1 YEAR (A2+B2)</b>  <b>GRAND TOTAL LESS THAN 1 YEAR (i+ii)</b> <b>SHORT TERM</b> <b>GRAND TOTAL GREATER THAN 1 YEAR (i+ii) LONG TERM</b>	-	-
	20,000,000.00	15,000,000.00
	952,500.00	15,000,000.00
	<b>19,047,500.00</b>	<b>-</b>
	12,382,500.00	-
	6,665,000.00	-
	<b>28,382,500.00</b>	<b>4,451,744.00</b>
	<b>18,665,000.00</b>	<b>6,000,000.00</b>
	<b>508,902,234.24</b>	<b>283,755,845.00</b>
	<b>249,376,350.76</b>	<b>129,736,360.00</b>
<b>GRAND TOTAL</b>	<b>758,278,585.00</b>	<b>413,492,205.00</b>

**Note  
4**

Long Term Provision	As at 31st March 2016	As at 31st March 2015
	Amount(Rs.)	Amount(Rs.)
Provision for Doubtful Debts( 1% Of Loan O/s)	6,800,506.00	3,719,292.00
<b>TOTAL</b>	<b>6,800,506.00</b>	<b>3,719,292.00</b>

**Note  
5**

Short Term Borrowings	As at 31st March 2016	As at 31st March 2015
	Amount(Rs.)	Amount(Rs.)
<b><u>(a) Secured Loans</u></b>		
<b>From Banks :</b>		
State Bank of India (Overdraft)	1,875,201.80	1,884,086.00
<b>TOTAL LESS THAN 1 YEAR (i+ii) SHORT TERM</b>	<b>508,902,234.24</b>	<b>283,755,845.00</b>
<b>GRAND TOTAL</b>	<b>510,777,436.04</b>	<b>285,639,931.00</b>

**Note  
6**

Other Current Liabilities	As at 31st March 2016	As at 31st March 2015
	Amount(Rs.)	Amount(Rs.)
Medical Allowance Payable	-	146,272.00
Mess Contribution	20,850.00	23,150.00
Milk purchase	19,757.00	-
TDS Payable	1,036,447.00	504,896.00
Employees Provident Fund Payable	205,048.00	81,490.00
Employees state Insurance	28,081.00	3,299.00
Employees Professional Tax Payable	9,025.00	3,925.00
GSLI Payable	-	-
Staff group Insurance	33,000.00	23,400.00
Office Rent Payable	253,180.00	161,400.00
Directors Salaries payable	32,046.00	7,000.00
Staff Salaries payable	679,982.00	266,490.00
Service tax Payable	67,896.00	14,510.25
Interest payable to Ananya Finance for Inclusive Growth Pvt. Ltd	67,945.00	-

Interest payable to MAS Financial Services Ltd	1,002,375.00	700,821.00
Interest payable to Canara Bank	-	17,274.00
Interest payable to UCO Bank	506,916.00	21.00
Interest payable to IDBI Bank	447,046.00	369,365.00
Interest payable to IFMR Capital Finance Ltd	1,029,804.00	465,519.00
Interest payable to Reliance Capital Ltd	1,199,587.00	-
Interest payable to Reliance Home Finance Ltd	-	196,875.00
Interest payable to SIDBI	126,288.00	-
Interest payable to Muthoot Capital Services Ltd	306,849.00	-
Stipend Payable	321,647.00	180,917.00
Consultancy Fee Payable	-	60,000.00
Received from Yes Bank Limited for Disb. to clients (BC)	931,857.00	15,316,663.00
Collection Received and Repay to Yes Bank Limited	-	7,493.13
Collection Received and Repay to IDBI Bank	694,665.00	-
<b>TOTAL</b>	<b>9,020,291.00</b>	<b>18,550,780.38</b>

**Note  
7**

<b>Short Term Provisions</b>	<b>As at 31st March 2016</b>	<b>As at 31st March 2015</b>
	<b>Amount(Rs.)</b>	<b>Amount(Rs.)</b>
<b>(A) Provision for Statutory Audit Fees:-</b>		
Opening Balance	80,000.00	70,000.00
Add:- New Provision made during the year	100,000.00	80,000.00

Less:- Old Provision write off/paid during the year	80,000.00	70,000.00
<b>TOTAL(A)</b>	<b>100,000.00</b>	<b>80,000.00</b>
<b>(B) Provision for Tax Audit Fees:-</b>		
Opening Balance	20,000.00	16,000.00
Add:- New Provision made during the year	20,000.00	20,000.00
Less:- Old Provision write off/paid during the year	20,000.00	16,000.00
<b>TOTAL(B)</b>	<b>20,000.00</b>	<b>20,000.00</b>
<b>(C) Provision for Taxes</b>		
Opening Balance	4,535,309.00	2,601,948.00
Add:- New Provision made during the year	6,282,393.00	3,151,272.00
Add:- Additional Provision made by IT Dept.(2014-15)	-	13,030.00
Less:- Old Provision write off during the year	1,705,926.00	1,230,941.00
<b>TOTAL(C)</b>	<b>9,111,776.00</b>	<b>4,535,309.00</b>
<b>(D) Provision for Preference Dividend for SIDBI</b>		
Opening Balance	2,700,000.00	2,700,000.00
Add:- New Provision made during the year	2,700,000.00	2,700,000.00
Less:- Old Provision write off/paid during the year	2,700,000.00	2,700,000.00
<b>TOTAL ( D)</b>	<b>2,700,000.00</b>	<b>2,700,000.00</b>
<b>(E) Provision for Dividend Tax</b>		

Opening Balance	540,000.00	460,465.00
Add:- New Provision made during the year (20.357647%)	549,656.00	540,000.00
Add:- Additional Provision made by IT Dept.	-	-
Less:- Old Provision write off during the year	540,000.00	460,465.00
<b>TOTAL (E )</b>	<b>549,656.00</b>	<b>540,000.00</b>
<b>GRAND TOTAL(A+B+C+ D+E)</b>	<b>12,481,432.00</b>	<b>7,875,309.00</b>

**Note  
9**

<b>Non-Current Investment</b>	<b>As at 31st March 2016</b>	<b>As at 31st March 2015</b>
	<b>Amount(Rs.)</b>	<b>Amount(Rs.)</b>
IFMR Capital Finance Pvt. Ltd.	23,750,000.00	10,000,000.00
MAS Financial services Ltd	57,750,000.00	39,750,000.00
Canara Bank	3,000,000.00	3,000,000.00
IDBI Bank	6,000,000.00	5,000,000.00
UCO Bank	7,500,000.00	1,500,000.00
Ananya Finance for Inclusive Growth Private Limited	6,000,000.00	2,000,000.00
Reliance Home Finance Limited	-	3,000,000.00
Reliance Capital Limited	15,000,000.00	-
<b>TOTAL</b>	<b>119,000,000.00</b>	<b>64,250,000.00</b>

**Note  
10**

<b>Loans and Advances</b>	<b>As at 31st March 2016</b>	<b>As at 31st March 2015</b>
	<b>Amount(Rs.)</b>	<b>Amount(Rs.)</b>
Assets Under Management	969,268,415.00	467,626,654.00
Less- Managed portfolio ( Yes Bank)	128,074,667.00	95,697,456.00

Less- Managed portfolio ( IDBI Bank)	37,588,503.00	-
Less: IFMR Capital Mosec Phaenna 2015 (Securitization)	43,212,397.00	-
Less: Muthoot Capital Services Limited (Assignment)	51,971,061.00	-
Less: MAS Financial Services Limited (Assignment)	27,996,407.00	-
Less: Loan written off	374,827.00	-
<b>Own portfolio</b>	<b>680,050,553.00</b>	<b>371,929,198.00</b>
<b>(A) Total Loans Outstanding with Members:-(Saral)</b>		
Opening Balance	369,196,146.00	186,259,454.00
Add:-Loan disbursed to Members	813,027,500.00	372,712,500.00
Less: Loan recovered from Members	379,221,898.00	189,775,808.00
Less: IFMR Capital Mosec Phaenna 2015 (Securitization)	803,001,748.00	369,196,146.00
Less: Muthoot Capital Services Limited (Assignment)	43,212,397.00	-
Less: MAS Financial Services Limited (Assignment)	51,971,061.00	-
	27,996,407.00	-
Less: Loan written off	679,821,883.00	369,196,146.00
	374,827.00	-
<b>TOTAL(A)</b>	<b>679,447,056.00</b>	<b>369,196,146.00</b>
<b>Out of (A) above</b>		
(A1) Loans Outstanding with Members:-(Saral) due less than 1 year	395,013,142.00	246,965,102.00
(A2) Loans Outstanding with Members:-(Saral) due greater than 1 year	284,433,914.00	122,231,044.00

<b>(B) Loans Outstanding with Members:- (Suvidha)</b>		
Opening Balance	-	3,831,932.00
Add:-Loan disbursed to Members	417,508.00	470,000.00
Less: Loan recovered from Members	103,694.00	4,301,932.00
	313,814.00	-
Less: Loan written off	-	-
<b>TOTAL(B)</b>	<b>313,814.00</b>	<b>-</b>
<b>Out of (B) above</b>		
(B1) Loans Outstanding with Members:- (Suvidha) due less than 1 year	274,146.00	-
(B2) Loans Outstanding with Members:- (Suvidha) due greater than 1 year	39,668.00	-
<b>(C) Loans Outstanding with Members:- (WATSAN)</b>		
Opening Balance	2,733,052.00	6,418,904.00
Add:-Loan disbursed to Members	216,000.00	612,000.00
Less: Loan recovered from Members	2,659,369.00	4,297,852.00
	289,683.00	2,733,052.00
Less: Loan written off	-	-
<b>TOTAL(C)</b>	<b>289,683.00</b>	<b>2,733,052.00</b>
<b>Out of (C) above</b>		
(C1) Loans Outstanding with Members:- (WATSAN) due less than 1 year	285,254.00	2,585,691.00
(C2) Loans Outstanding with Members:- (WATSAN) due greater than 1 year	4,429.00	147,361.00

Grand Total Loans Outstanding with Members due less than 1 year (A1+B1+C1)	395,572,542.00	249,550,793.00
Grand Total Loans Outstanding with Members due greater than 1 year (B1+B2+C2)	284,478,011.00	122,378,405.00
<b>GRAND TOTAL(A+B+C)</b>	<b>680,050,553.00</b>	<b>371,929,198.00</b>

Note  
11

Other Non-Current Assets	As at 31st March 2016	As at 31st March 2015
	Amount(Rs.)	Amount(Rs.)
<b>(A)Preliminary expenses</b>		
Less: Written off during the year	2,750,000.00	3,300,000.00
	550,000.00	550,000.00
<b>TOTAL(A)</b>	<b>2,200,000.00</b>	<b>2,750,000.00</b>
<b>(B)Vehicle Contribution to Staff</b>		
Add: Contribution during the period	584,372.00	<b>455,872.00</b>
Less: Recovery during the year	103,000.00	128,500.00
Less: Written off during the period	10,000.00	-
	-	-
<b>TOTAL(B)</b>	<b>677,372.00</b>	<b>584,372.00</b>
<b>(C) Cell Phone Contribution to Staff</b>		
Add: Contribution during the period	-	-
Less: Written off during the period	61,376.00	-
	-	-
<b>TOTAL(C )</b>	<b>61,376.00</b>	<b>-</b>
<b>TOTAL(A+B+C)</b>	<b>2,938,748.00</b>	<b>3,334,372.00</b>

Note  
12

Current Investment	As at 31st March 2016	As at 31st March 2015
	Amount(Rs.)	Amount(Rs.)



State Bank of India	1,336,389.00	1,336,389.00
IFMR Capital Mosec Phaenna 2015	5,104,248.00	-
IDBI Bank	3,300,000.00	50,000,000.00
Yes Bank	30,560,000.00	7,700,000.00
<b>TOTAL</b>	<b>40,300,637.00</b>	<b>59,036,389.00</b>

**Note  
13**

Cash and Bank equivalents	As at 31st March 2016	As at 31st March 2015
	Amount(Rs.)	Amount(Rs.)
Cash in Hand	1,253,625.02	71,902.00
Cash at AXIS Bank(Current A/C No- 12148)	13,734,713.64	3,155,160.32
Cash at AXIS Bank(Current A/C No- 67556)	69,243.40	8,876.40
Cash at AXIS Bank(Current A/C No- 57656)	1,059,370.24	3,752.80
Cash at AXIS Bank(Current A/C No- 53058)	7,386.20	5,393.20
Cash at AXIS Bank (Current A/C No- 89398)	-	8,876.40
Cash at AXIS Bank (Current A/C No- 89369)	4,146.40	8,876.40
Cash at AXIS Bank (Current A/C No- 56832)	574,819.00	-
Cash at AXIS Bank (Current A/C No- 53227)	58,110.75	-
Cash at AXIS Bank (Current A/C No- 36702)	80,863.36	-
Cash at ICICI Bank (MCOM281990)	-	500.00
Cash at Corporation Bank (00365)	100,000.00	-

Cash at DCB(A/C No-1908)	15,789.00	15,789.00
Cash at DCB(A/C No-00001)	1,100,000.00	-
Cash at HDFC Bank (Current A/C No-50200013839992)	540,061.00	-
Cash at HDFC Bank (Current A/C No-21983)	103,000.00	-
Cash at HDFC Bank (Current A/C No-75762)	109,885.50	-
Cash at HDFC Bank (Current A/C No-13199)	100,000.00	-
Cash at SBI(A/C No-0777)	467,072.00	83,825.00
Cash at SBI(A/C No-5987)	4,134.00	229,044.00
Cash at SBI(A/C No-35033704512)	50,200.00	-
Cash at SBI(A/C No-35110266864)	37,627.00	-
Cash at SBI(A/C No-35110349297)	205,292.14	-
Cash at SBI(A/C No-00000035285096253)	10,427.00	-
Cash at Canara Bank(Current A/C No-13243)	552,526.00	81,022.00
Cash at Canara Bank(Current A/C No-00001)	2,233,374.00	-
Cash at IDBI Bank(Current A/C No-2028)	3,368,388.77	3,817,926.38
Cash at IDBI Bank(Current A/C No-6590)	5,050,762.00	30,000.00
Cash at IDBI Bank(Current A/C No-6941)	7,986.00	-
Cash at UCO Bank(Current A/C No-1363)	7,245,576.78	634,661.00
Cash at Vijay Bank (A/C NO-00347)	20,000.00	-

Cash at Yes Bank(Current A/C No-0190)	7,150.36	5,745.63
Cash at Yes Bank(BC Collection Current A/C No-00350)	656,925.44	33,427.93
Cash at Yes Bank(BC Disbursement Current A/C No-00093)	140,351.00	14,850,168.00
<b>TOTAL</b>	<b>38,968,806.00</b>	<b>23,044,946.46</b>

**Note  
14**

Short term loan and advances	As at 31st March 2016	As at 31st March 2015
	Amount(Rs.)	Amount(Rs.)
Staff Loan Receivable	2,675,148.00	1,488,430.00
Advance to Staff	2,578,465.00	884,807.00
Advance for Printing & stationery	-	562,658.00
Advance Income-Tax	4,300,000.00	3,400,000.00
Advance for Software development	1,116.00	1,116.00
CUG Cell Phone Advance	13,750.00	20,000.00
Advance for Travelling	-	51,856.00
Advance for Office Rent	69,000.00	-
Advance for Petty Cash	137,998.00	-
<b>TOTAL</b>	<b>9,775,477.00</b>	<b>6,408,867.00</b>
Grand Total Loans Outstanding with Members due less than 1 year (A1+B1+C1)	395,572,542.00	249,550,793.00
<b>GRAND TOTAL</b>	<b>405,348,019.00</b>	<b>255,959,660.00</b>

**Note  
15**

Other Current Assets:-	As at 31st March 2016	As at 31st March 2015
	Amount(Rs.)	Amount(Rs.)
Accrued interest Receivable from MAS Financial Services Ltd.	4,568,838.00	1,793,835.00
Accrued interest Receivable from IDBI	-	335,665.00

Accrued interest Receivable from IDBI Lien FD Reliance Home Finance Ltd.	999,053.00	29,961.00
Accrued Interest Receivable from Canara Bank	527,100.98	252,895.00
Accrued Interest Receivable from UCO Bank	557,380.00	125,333.00
Accrued Interest Receivable from IFMR Capital Pvt. Ltd	1,063,572.00	123,988.00
Accrued Interest Receivable from SBI	534,016.00	388,396.00
Accrued Interest Receivable from Yes Bank Limited	1,069,834.78	145,589.00
Accrued Interest Receivable from AFIG	613,232.00	41,702.00
Accrued Interest Receivable from clients - Saral	10,128,167.00	3,038,986.00
Accrued Interest Receivable from clients - WATSAN	1,817.00	15,874.00
Accrued Commission Receivable From YBL BC and IDBI BC	353,661.00	873,191.00
TDS Receivable	2,966,835.93	800,390.93
Gratuity Scheme	1,267,557.00	939,467.00
SD for Electricity Connection	78,576.00	55,576.00
Security Deposit for LPG Gas Connection	1,250.00	1,250.00
Security Deposit for Telephone	26,903.49	26,903.49
SD for Rental Premise	844,800.00	640,800.00
ESCROW For Micro Pension	8,100.00	28,860.00
Advance for purchase of solar lights	504,338.00	527,137.00
TDS Receivable from Reliance Home Finance Ltd	186,355.00	-
TDS Receivable from Reliance Capital Ltd	570,258.00	-
SIDBI PSIG Remuneration	61,800.00	-

Micro pension enrollment fee receivable	-	8,845.00
<b>TOTAL</b>	<b>26,933,445.18</b>	<b>10,194,644.42</b>

<b>Note 16</b>	<b>Revenue from Operations</b>	<b>As at 31st March 2016</b>	<b>As at 31st March 2015</b>
		<b>Amount(Rs.)</b>	<b>Amount(Rs.)</b>
	Interest collected from Suvidha Loan	75,506.00	1,721,186.00
	Interest collected from Saral Loan	136,201,939.00	66,822,484.00
	Interest collected from WATSAN Loan	323,792.00	985,064.00
	Loan Processing Fees Saral Loan	8,028,032.73	3,711,267.07
	Loan Processing Fees from Suvidha Loan	3,000.00	4,200.00
	Loan Processing Fees WATSAN Loan	2,257.54	6,083.74
	Income from IFMR Capital Mosec Phaenna 2015 (Securitization)	4,785,896.00	-
	<b>TOTAL</b>	<b>149,420,423.27</b>	<b>73,250,284.81</b>

<b>Note 17</b>	<b>Other Income</b>	<b>As at 31st March 2016</b>	<b>As at 31st March 2015</b>
		<b>Amount(Rs.)</b>	<b>Amount(Rs.)</b>
	<b>(A)Income from Investments:-</b>	-	-
	YES Bank	453,252.54	1,291,499.85
	Axis Bank Mutual Fund	-	72,644.07
	IDBI Bank	561,993.00	-
	<b>TOTAL(A)</b>	<b>1,015,245.54</b>	<b>1,364,143.92</b>

<b>(B)Other Miscellaneous Income:-</b>		
Interest on Staff Loan	286,679.00	124,770.00
Interest on MAS Financial Servises Ltd FLDG	4,192,112.00	2,409,863.00
Interest on State Bank of India (Overdraft)	161,800.00	152,420.00
Interest on IDBI Bank FLDG	-	327,962.00
Interest on Lien FD to Reliance Home Finance Ltd at IDBI Bank	-	33,290.00
Interest on FLDG Canara Bank	304,673.98	280,995.00
Interest on FLDG UCO Bank	480,053.00	139,259.00
Interest on FLDG IFMR Capital Finance Pvt. Ltd	1,497,165.00	137,765.00
Interest on FLDG Yes Bank	1,077,300.78	-
Interest on FLDG Ananya Finance for Inclusive Growth Pvt. Ltd.	635,033.00	46,336.00
Interest on IDBI Bank FLDG	1,478,542.00	-
Full & Final settlement of salaries received	3,576.00	3,145.00
Grant Received from SIDBI PSIG CB	-	1,288,000.00
Training fees From Trainee staff	7,500.00	35,500.00
II MPS Membership fee	-	23,209.00
Insurance Claim Received	45,320.00	-
Commission Received From YBL - BC	11,659,350.00	2,348,144.00
Commission Received From IDBI BC	308,875.00	
Commission Received From Muthoot Capital Services Ltd	1,145.00	-
Commission Received From IFMR	5,725.00	-
Mosec Phaenna 2015		
Miscellaneous Income	9,329.00	28,116.00
<b>TOTAL(B)</b>	<b>22,154,178.76</b>	<b>7,378,774.00</b>

<b>GRAND TOTAL(A+B)</b>	<b>23,169,424.30</b>	<b>8,742,917.92</b>
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**Note.  
18**

<b>Employee Benefits Expense</b>	<b>As at 31st March 2016</b>	<b>As at 31st March 2015</b>
	<b>Amount(Rs.)</b>	<b>Amount(Rs.)</b>
Directors' Salary	1,140,044.00	421,167.00
Staff Salaries & Allowance	20,295,059.00	9,413,266.00
Capacity Building Training to Staff	32,641.00	242,987.00
Daily Exp Reimbursement	-	3,250.00
Medical Reimbursement	171,874.00	272,514.00
Staff Welfare	678,177.00	503,602.00
Stipend	5,322,437.00	2,494,138.00
<b>TOTAL</b>	<b>27,640,232.00</b>	<b>13,350,924.00</b>

**Note  
19**

<b>Financial Cost</b>	<b>As at 31st March 2016</b>	<b>As at 31st March 2015</b>
	<b>Amount(Rs.)</b>	<b>Amount(Rs.)</b>
<b>Processing Fees paid:-</b>		
Ananya Finance for Inclusive Growth Pvt. Ltd.	393,500.00	150,000.00
MAS Financial Services Ltd.	6,181,369.00	4,022,488.00
Reliance Home Fin. Ltd	-	252,810.00
Reliance Capital Ltd	1,286,250.00	-
SIDBI	57,000.00	-
UCO Bank	349,725.00	-
IDBI Bank	372,125.00	196,630.00
IFMR Capital Finance Private Limited	2,982,190.00	1,404,500.00

Muthoot Capital Services Limited	1,452,092.00	
<b>Interest on Borrowings:-</b>		
Ananya Finance for Inclusive Growth Pvt. Ltd.	3,130,830.00	1,247,670.00
Canara Bank	2,328,004.00	3,590,759.00
Dia Vikas Capital Pvt Ltd	3,454,822.00	535,660.00
Friends of WWB, India	5,123.00	194,318.00
IDBI Bank	3,771,430.00	3,121,115.00
IFMR Capital Finance Private Limited	20,288,461.00	2,285,386.00
MAS Financial Services Ltd.	35,834,148.00	23,900,730.00
Muthoot Capital Services Limited	306,849.00	-
Reliance Capital Ltd.	7,011,527.00	-
Reliance Home Finance Ltd.	2,029,911.00	590,625.00
SIDBI	837,521.00	980,137.00
State Bank of India (Overdraft)	86,495.00	97,252.00
UCO Bank	3,975,665.00	832,080.00
Vehicle Loan	160,461.00	78,250.00
Interest on IFMR Mosec Phaena	2,659,422.00	-
Interest on Muthood Capital Limited	529,058.00	-
<b>TOTAL</b>	<b>99,483,978.00</b>	<b>43,480,410.00</b>

**Note  
20**

<b>Depreciation &amp; Amortisation:-</b>	<b>As at 31st March 2016</b>	<b>As at 31st March 2015</b>
	<b>Amount(Rs.)</b>	<b>Amount(Rs.)</b>
Depreciation on Fixed Assets	3,474,529.35	3,154,344.07
Preliminary Expenses written off	550,000.00	550,000.00



<b>TOTAL</b>	<b>4,024,529.35</b>	<b>3,704,344.07</b>
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**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%	679,582,046.00	-	-
Sub-Std	90-179 Days	50.00%	311,796.00	0.50	155,898.00
Doubtful	180 & above Days	100.00%	156,711.00	1.00	156,711.00
Total:			680,050,553.00		312,609.00
1% of Loan outstanding					6,800,506.00
Provision required (Higher of above two as per NBFC-MFI Master Circular Dt. July 1, 2013)					6,800,506.00
Provision made for the period					6,800,506.00
Opening Balance in Loan Loss Reserve as on 01/04/2015				3,719,292.00	
Less: Bad Debt (Loan write off this year)				374,827.00	
Closing Balance of Existing Provision					3,344,465.00
<b>New Provision made at 31/03/2016</b>					<b>3,456,041.00</b>

**Note  
22**

<b>Other Expenses</b>	<b>As at 31st March 2016</b>	<b>As at 31st March 2015</b>
	<b>Amount(Rs.)</b>	<b>Amount(Rs.)</b>
Bank Charges	994,272.11	178,540.44
Board Meeting Expenses	366,098.00	140,389.00
Books & Periodicals	55,144.00	65,540.00

Business Development & Promotion Expenses	1,434,876.00	1,062,519.00
Certification Work	285,000.00	79,200.00
Client Welfare Expenses	143,000.00	21,500.00
Client Group Insurance	618,717.00	193,814.00
Consultancy Fees	2,204,978.00	1,610,357.00
Daily Labour Charges	1,400.00	7,850.00
Demand Income Tax	920.00	-
Donation	1,200.00	201.00
EDLI & Administrative charges	117,374.00	51,086.00
Electricity Charges	391,068.00	232,775.00
Employer Contribution towards U.H.S Premium	1,644.00	12,603.00
Employer Contribution to EPF	953,944.00	370,757.00
Employer Contribution to ESI	244,218.00	86,371.00
Entertainment Expenses	122,713.00	46,045.00
ESIC Interest /Panel Charges	39,016.00	-
E-TDS & Income-Tax return filing	29,804.00	24,281.00
Fuel Expenses (DG)	8,669.00	-
Gratuity scheme reimbursement	-	68,129.00
Guest Refreshment Expenses	4,233.00	5,341.00
Incentives	30,000.00	17,000.00
Insurance	499,445.00	341,884.00
Interest Charges YBL BC	740,123.87	-
Legal Expenses	780,310.00	538,430.00
Membership Fee-MFIN	126,351.00	188,500.00

Membership Fee-Sa-Dhan	5,048.00	74,888.00
Miscellaneous Expenses	14,280.00	129.00
M_Pesa Disb Processing Charges	111,609.50	59,401.00
Office Expenses	633,398.00	293,072.00
Office Rent & Utilities	3,078,284.00	1,499,016.00
Postage & Courier Charges	100,522.00	38,932.00
Printing & Stationery	1,458,515.00	507,116.00
Professional Charges	-	134,832.00
Provision for Statutory Audit Fees	100,000.00	80,000.00
Provision for Tax Audit Fees	20,000.00	20,000.00
Repair & Maintenance	267,241.00	356,947.00
Research & Documentation	1,879.00	15,170.00
ROC Expenses	321,000.00	211,871.00
Security Guard Expenses	384,388.00	189,619.00
Staff Medical insurance	74,053.00	61,357.00
TDS Demand	35,428.00	-
Telecommunication Charges	1,431,799.21	825,810.00
Tour & Travelling Expenses	1,617,491.00	794,016.00
Travelling Allowance	779,313.00	484,819.00
Utilization Certificate Fees	78,650.00	66,000.00
Loan Processing Charges for Vehicle purchase	-	4,794.00
<b>TOTAL</b>	<b>20,707,416.69</b>	<b>11,060,901.44</b>

**Note  
23**

Calculation Of Deferred Tax Assets for the year 2015-16	As at 31st March 2016	As at 31st March 2015
	Amount(Rs.)	Amount(Rs.)
<b>Opening Balance</b>	<b>478,740.00</b>	
Tax on Taxable Income of Rs.	-	3,149,252.00
Tax on Accountable Income Rs.	-	2,670,512.00
<b>Deferred Tax Assets for current year</b>	<b>478,740.00</b>	<b>478,740.00</b>

<b>Cash Flow Statement</b>		<b>(Amount in INR )</b>
<b>Particulars</b>	<b>As at 31st March 2016</b>	<b>As at 31st March 2015</b>
<b>Sources</b>		
Retained Profit	7,745,601.53	2,716,872.22
Depreciation	3,474,529.35	3,154,344.07
Amortisation	550,000.00	550,000.00
Loan Loss Provisions	3,456,041.00	1,754,189.00
Increase in Capital	30,000,002.00	5,000,001.00
Repayment received from Clients	381,984,961.00	198,375,592.00
Loans received from Banks/FIs	783,124,691.80	402,861,883.00
Securitization and Assignment	132,679,446.00	-
Increase in Liabilities	-4,924,366.38	19,742,294.32
<b>Total ₹</b>	<b>1,338,090,906.30</b>	<b>634,155,175.61</b>
<b>Uses</b>		
Increase in Fixed Assets	4,385,227.00	5,044,068.00
Disbursements to Clients	813,661,008.00	373,794,500.00
Repayment to Banks/FIs	438,347,196.00	173,270,242.00
Securitization and Assignment	9,499,581.00	-
Increase in Other Assets	20,259,786.76	12,842,034.00
Increase in Investments	36,014,248.00	88,450,000.00
<b>Total ₹</b>	<b>1,322,167,046.76</b>	<b>653,400,844.00</b>
<b>Net Change in Cash &amp; Bank</b>	<b>15,923,859.54</b>	<b>-19,245,668.39</b>
<b>Opening Cash &amp; Bank Balance</b>	<b>23,044,946.46</b>	<b>42,290,614.85</b>
<b>Closing Cash &amp; Bank Balance</b>	<b>38,968,806.00</b>	<b>23,044,946.46</b>

**Note 8**

(Amount in INR )

**Depreciation Schedule of Fixed Assets for the period ended on 31.03.2016 (under Companies Act)**

Name of Assets	Rate of dep(%)	Gross Block			Depreciation			Sale of Fixed Assets G	Net Block	
		As on 01.04.2015 A	Addition during the Year B	Total as on 31.03.2016 C=(A+B)	Upto 01.04.2015 D	Depreciation during the Year E	Total as on 31.03.2016 F=(D+E)		WDV as on 31.03.2016 H=(C-E-G)	WDV as on 31.03.2015 I
Computer & Accessories	63.16	1,006,989.30	1,479,169.00	2,486,158.30	1,272,204.62	1,570,257.58	2,842,462.20	-	915,900.72	1,006,989.30
Furniture & Fixtures	25.89	1,417,765.49	997,073.00	2,414,838.49	729,775.93	625,201.68	1,354,977.61	-	1,789,636.80	1,417,765.49
Office Equipment	45.07	390,525.86	582,936.00	973,461.86	311,694.74	438,739.26	750,434.00	-	534,722.60	390,525.86
Motor Cycle	25.89	16,363.49	-	16,363.49	63,850.20	4,236.51	68,086.71	-	12,126.98	16,363.49
Vehicle( Tata Sumo )	31.23	329,178.39	-	329,178.39	263,262.31	102,802.41	366,064.73	-	226,375.98	329,178.39
Vehicle (XYLO)	31.23	747,188.11	-	747,188.11	-	233,346.85	233,346.85	-	513,841.27	747,188.11
Vehicle (Duster)	31.23	-	1,254,967.00	1,254,967.00	-	391,926.19	391,926.19	-	863,040.81	-
Electrical Fittings	25.89	85,866.28	32,069.00	117,935.28	151,043.42	30,533.44	181,576.86	-	87,401.83	85,866.28
Inverter	25.89	89,821.32	-	89,821.32	-	23,254.74	23,254.74	-	66,566.58	89,821.32
Shed	4.87	4,153.80	-	4,153.80	1,276.55	202.29	1,478.84	-	3,951.51	4,153.80
Cycles	25.89	30,360.09	15,620.00	45,980.09	6,678.74	11,904.25	18,582.99	-	34,075.85	30,360.09
Mobile/Landphone	13.91	266,400.31	23,393.00	289,793.31	99,668.59	40,310.25	139,978.84	-	249,483.06	266,400.31
Signboard	25.89	7,006.15	-	7,006.15	11,966.28	1,813.89	13,780.17	-	5,192.26	7,006.15
<b>TOTAL</b>		<b>4,391,618.59</b>	<b>4,385,227.00</b>	<b>8,776,845.59</b>	<b>2,911,421.38</b>	<b>3,474,529.35</b>	<b>6,385,950.72</b>	<b>-</b>	<b>5,302,316.24</b>	<b>4,391,618.59</b>

For N. Gahan & Associates  
Chartered Accountants  
Firm Regd. 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 : 21st June 2016

(Amount in INR )

## Depreciation Schedule of Fixed Assets for the period ended on 31.03.2016 (under Income-tax Act)

Depreciation schedule of Fixed Assets for the period ended on 31.03.2016 (Under Income-tax Act)												
		Gross Block				Depreciation					Net Block	
Name of	Rate of	As on	Addition during the period		Total as on	Upto	Depreciation during the period		Total as on	SALE of	WDV as on	WDV as on
Assets	dep(%)	01.04.2015	upto 30.09.2015	upto 31.03.2016	31.03.2016	01.04.2015	upto 30.09.2015	upto 31.03.2016	31.03.2016	XED ASSE	31.03.2016	31.03.2015
		A	B	C	D=(A+B+C)	E	F	G	H=(E+F+G)	I	J=(D-F-G)	K
Computer & Accessor	60	1,318,860.25	505,569.00	973,600.00	2,798,029.25	2,811,705.61	1,094,657.55	292,080.00	4,198,443.17	-	1,411,291.70	1,318,860.25
Furniture& Fixtures	10	1,963,645.29	403,509.00	593,564.00	2,960,718.29	602,515.22	236,715.43	29,678.20	868,908.85	-	2,694,324.66	1,963,645.29
Office Equipment	15	659,791.78	421,630.00	161,306.00	1,242,727.78	346,958.61	162,213.27	12,097.95	521,269.83	-	1,068,416.56	659,791.78
Motor Cycle	40	5,815.17	-	-	5,815.17	88,006.77	2,326.07	-	90,332.84	-	3,489.10	5,815.17
Vehicle(Tata Sumo)	30	309,013.01	-	-	309,013.01	432,914.99	92,703.90	-	525,618.89	-	216,309.11	309,013.01
Vehicle (XYLO)	30	923,527.55	-	-	923,527.55	162,975.45	277,058.27	-	440,033.72	-	646,469.29	923,527.55
Vehicle (Renul Duster)	30	-	-	1,254,967.00	1,254,967.00	-	-	188,245.05	188,245.05	-	1,066,721.95	-
Electrical Fittings	10	146,123.71	10,615.00	21,454.00	178,192.71	98,711.71	15,673.87	1,072.70	115,458.28	-	161,446.14	146,123.71
Inverter	10	109,080.00	-	-	109,080.00	12,120.00	10,908.00	-	23,028.00	-	98,172.00	109,080.00
Shed	10	3,165.53	-	-	3,165.53	2,759.63	316.55	-	3,076.19	-	2,848.98	3,165.53
Cycles	40	30,397.84	3,770.00	11,850.00	46,017.84	18,555.16	13,667.14	2,370.00	34,592.30	-	29,980.71	30,397.84
Mobile/Landphone	15	280,683.12	11,394.00	11,999.00	304,076.12	126,601.79	43,811.57	899.93	171,313.28	-	259,364.63	280,683.12
Signboard	15	9,153.67	-	-	9,153.67	11,925.33	1,373.05	-	13,298.38	-	7,780.62	9,153.67
TOTAL		5,759,256.93	1,356,487.00	3,028,740.00	10,144,483.93	4,715,750.29	1,951,424.67	526,443.83	7,193,618.79	-	7,666,615.44	5,759,256.93

For N. Gahan& Associates  
Chartered Accountants  
Firm Regd. 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 : 21st June 2016

**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 2016-17:-**

COMPANY NAME:- **SAMBANDH FINSERVE PRIVATE LIMITED**  
PAN NO:- **AACCM1716A**  
FINANCIAL YEAR:- **2015-16**  
ASSESSMENT YEAR:- **2016-17**

**(Amount in INR )**

<b>Net Profit/(Loss) as per Profit &amp; Loss A/c</b>	<b>1,72,77,650.53</b>
Less- Excess provision Brought back	-
<b>Book profit as per Profit &amp; Loss A/c</b>	<b>1,72,77,650.53</b>
Add: Depreciation as per Companies Act	34,74,529.35
	2,07,52,179.88
Less: Depreciation as per Income-Tax Act	24,77,868.49
<b>Net Profit as per Income-Tax Act</b>	<b>1,82,74,311.39</b>

**TAX LIABILITY UNDER NORMAL PROVISIONS:-**

Tax Liability @30% on Net Profit	54,82,293.00
Add: Surcharges @7%	3,83,761.00
Add: Education Cess and SHEC @3%	1,75,982.00
Add: Interest U/s 234B	96,275.00
Add: Interest U/s 234C	1,44,082.00
<b>Total Tax liability</b>	<b>62,82,393.00</b>

**TAX LIABILITY UNDER MAT U/S 115JB:-**

Net Profit/(Loss) as per Profit & Loss A/c	1,72,77,650.53
Less- Excess provision Brought back	-
<b>Book profit as per Profit &amp; Loss A/c</b>	<b>1,72,77,650.53</b>
Tax on above @18.5%	32,83,113.00
Add: Surcharges @7%	2,29,818.00
Add: Education Cess and SHEC @3%	1,05,388.00
<b>Total Tax liability U/S 115JB</b>	<b>36,18,319.00</b>

**TOTAL TAX LIABILITY**

(a) Tax liability under normal provision	62,82,393.00
(b) Tax liability under MAT U/S 115JB	36,18,319.00
Tax liability is the higher of (a) and (b)	62,82,393.00
Less:- Advance Tax	21,00,000.00
Less:- Tax deducted at source	23,37,451.00
Less:- Self assessment tax paid	<b>18,44,942.00</b>
<b>Tax Payable/(Tax Refundable)</b>	<b>-</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, 2016 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 25.99% 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 10.39% and within the prescribed cap of 12%.
8. The company's qualifying assets is Rs. 679,734,514/- and its ratio to net assets (excluding cash, balances with banks and financial institutions, government securities and money market instruments) is 94.01% 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 2016, the Net Owned Funds (NOF)/Tangible Net Worth (TNW) of the company is Rs.1,328.28 Lakh and the Capital to Risk-weighted Assets Ratio(CRAR) is 22.72%.
- 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. LivinusKindo	02541650	Chairman
3	Mr. Dibyalochan Jena	02541689	Director
4	Mr. SaurabhBaroi	02723687	Nominee Director
5	Mr. Prasad Kuchibhatla	02255028	Independent Director
6	Mr. Prabal Kumar Sen	02594965	Independent Director
7	Mr. Vinod Kumar Jha	06723830	Independent Director
8	Mr. SantanuSarmaBarua	07351144	Nominee Director

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

A)	Provision for Income Tax	62,82,393.00
B)	Provision for Preference Dividend	27,00,000.00
C)	Provision for Dividend Tax (20.357647%)	549,656.00

- 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 portfolio : Rs. 68,00,506.00

**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,

<b>Classification of Assets</b>	<b>Days</b>	<b>Outstanding as on 31st March 2016 (Rs.)</b>	<b>Provision %</b>	<b>Provision Amount</b>
Standard Assets	0-89	67,95,82,046	0%	-
Non Performing Assets	90-179	311,796	50%	155,898
Non-Performing Assets	180 & above	156,711	100%	156,711
	<b>Total</b>	<b>68,00,50,553</b>		<b>312,609</b>

As calculated from the above, the gross loan loss provision as on 31<sup>st</sup> March 2016 is taken at Rs. 68,00,506.00

**16.** There are no related party transactions with any entities or individuals in the current financial year except Dia Vikas Capital Private Limited, where the transactions are made on an arm's length basis and quite transparently done through bank accounts.

17. The company has undertaken a credit based Business Correspondent program under Yes Bank Ltd and IDBI Bank Ltd and has commenced operations in August 2014 and September, 2015 respectively. The company has opened separate branches in Rourkela, Rajgangpur, Sundargarh, Jharsuguda, Bargaon, Bonaigarh, Kuchinda, Rengali, Brajrajnagar, Deogarh and Keonjhar with 13,923 active borrowers and closing with an outstanding of Rs. 165,661,787/- as on 31st March 2016.

18. The Company has also avail securitization loan from IFMR Mosec Phaenna and Assignment loan from Capital Services and Mas Financial Services for smooth propel of the organization.

<b>Name</b>	<b>Type</b>	<b>Active Borrower</b>	<b>Outstanding as on 31<sup>st</sup> March, 2016</b>
IFMR MosecPhaenna	Securitization	3,486	42,733,053
Muthoot Capital Services	Assignment	3,974	51,449,517
Mas Financial Services	Assignment	2,106	28,641,182

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.

	<b><u>Current year(Rs.)</u></b>	<b><u>Previous year(Rs.)</u></b>
<b>Directors Salary</b>	1,140,044.00	421,167.00
<b>Reimbursement of</b>		
<b>Medical Expenses</b>	NIL	NIL

**21. Payment to Auditor :-**

**For the year ended**

**31.03.2016    31.03.2015**

Audit fees (Provision) (Rs.)	100,000.00	80,000.00
Tax Audit fees (Provision) (Rs.)	20,000.00	20,000.00

**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**

**For and on behalf of the Board  
SAMBANDH FINSERVE PRIVATE LIMITED**

**Chartered Accountants**

**Firm Regd. No-326078E**

**CA. N. Gahan FCA**

**Director.**

**Managing Director**

**Partner**

**Membership No-079100**

**Place: Bhubaneswar**

**Date: 21<sup>st</sup> June 2016**

**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	:	31.03.2016

**2. Capital raised during the period**

Public issue	:	NIL
Right issue	:	NIL
Bonus issue	:	NIL
Private issue	:	Rs. 27,272,730/-

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

Total Equity & Liabilities	:	92,37,48,722.42
Total Assets	:	92,37,48,722.42

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

Paid up Capital	:	11,80,57,420.00
Share Application Money	:	-
Share Premium Money	:	2,942,583.00
Reserve & Surplus	:	1,42,92,703.62

Non-Current Liabilities	:	25,61,76,856.76
Current Liabilities	:	53,22,79,159.04

**Total Assets (in Rs.)**

Net Fixed Assets	:	5,302,316.24
Non-Current Assets	:	40,68,95,499.00
Current Assets	:	51,15,50,907.18

**4. Performance of Company ( inRs. ) :**

Revenue	:	17,25,89,847.57
Expenses	:	15,53,12,197.04
Profit / (Loss) before Tax	:	1,72,77,650.53
Profit / (Loss) after Tax	:	1,09,95,257.53
Earnings per share	:	1.25%
Dividend Rate %	:	9%

**For and on behalf of**  
**N. Gahan& Associates**  
**Chartered Accountants**  
**Firm Regd. No-326078E**

**For and on behalf of the Board**  
**SAMBANDH FINSERVE PRIVATE LIMITED**

**CA. N. Gahan FCA**  
**Partner**  
**Membership No-079100**

**Director**

**Managing Director**

**Place: Bhubaneswar**  
**Date: 21<sup>st</sup> June 2016**



**LIST OF WRITE OFF CLIENTS FOR THE FY-2015-16**

SL NO.	BRANCH NAME	CENTER NAME	GROUP NAME	CLIENT NAME	O/S AMOUNT (Rs. )	REMARKS
1	ROURKELA	GANGADHARPALI-1	PINKY	ASHA BARIK	10,402.00	CLIENT DEATH
2	ROURKELA	JANTA NIWAS GALI-I	JAY	LAXMI RAY	6,961.00	CLIENT DEATH
3	RAJGANGPUR	KHATKURBAHAL-1	LADLY	ASIA KHATUN	2,678.00	CLIENT DEATH
4	RAJGANGPUR	BIRINGA TOLI-I	BINDU	PUSPANJALI NAEK	842.00	CLIENT DEATH
5	ROURKELA	BANDH POSH-1	REEMA	RANTHI KACHHAP	20,000.00	CLIENT DEATH
6	ROURKELA	D.CABIN-1	PADMA	MERY ANJELA PAN	2,745.00	CLIENT DEATH
7	RAIGARH	GANDHI NAGAR-II	NISHA	SAVITA MAHILANE	18,698.00	CLIENT DEATH
8	RANCHI	GAYATRI NAGAR 2	ANAMIKA	SONI KUMARI BHARTI	19,356.00	CLIENT DEATH
9	RAIGARH	KOUHAKUNDA	KALYANI	SANTOSHI CHAUHAN	3,622.00	CLIENT DEATH
10	SUNDARGARH	BELSARA-I	SHIBA	MALATI GARDIA	8,905.00	CLIENT DEATH
11	RAIGARH	KRISHNA NAGAR-1	MEERA	SUDHAHO HO	15,186.00	CLIENT DEATH
12	RAIGARH	KIRODIMAL-3	LAXMI KUBER	TARA BAI SONI	18,715.00	CLIENT DEATH
13	RAJGANGPUR	JAMPALI-1	JAMUNA	KESHARI LAKRA	19,356.00	CLIENT DEATH
14	RAJGANGPUR	PADA-1	ANKIT	SIMA NANAWAR	2,471.00	CLIENT DEATH
15	ROURKELA	REHMAD NAGAR-1	ELAHI BHAROSA	KIAFULA TIRKEY	21,629.00	CLIENT DEATH
16	RANCHI	UPPER HATIA 1	VEERA	BALLI KUMARI	10,072.00	CLIENT DEATH
17	ROURKELA	KALINGA BIHAR-2	JAGGURUTI	KANALATA	7,795.00	CLIENT DEATH
18	BELPAHAR	KHOLYAKANI-1	NABA DURGA	KUNTALA KHADIAA	13,672.00	CLIENT DEATH
19	ROURKELA	SHIVSHANKAR NAGAR-2	SHIVSHAKTI	MANJU SUNA	12,302.00	CLIENT DEATH
20	ROURKELA	KALUNGA-2	ANANDI	SANTI DAS	9,072.00	CLIENT DEATH
21	ROURKELA	LAL BUILDING-1	GOURI	RINA DEVI	15,919.00	CLIENT DEATH
22	RAJGANGPUR	GORIAMUNDA-1	DEEPTI	BAHAMANI JOJO	6,651.00	CLIENT DEATH
23	BILASPUR	CHILHATI-1	FARMAN	PARWATI	16,636.00	CLIENT DEATH
24	ROURKELA	BONDAMUNDA-5	SAHAYOG	SHANTI DEVI	13,664.00	CLIENT DEATH
25	ROURKELA	MAN TOLA 1	BINA	ETUARI KAER	10,147.00	CLIENT DEATH
26	RAIGARH			SUMITRA TOPPO	5,028.00	OVERDUE
27	RAJGANGPUR	BILAIGARH-1	OM SHANTI	BIJAY LAKSHMI MOHANTY	556.00	OVERDUE
28	RAJGANGPUR		POONAM	ROSALIA KHATUN	714.00	OVERDUE
29	RAJGANGPUR	GAUSALAPADA-1	LAXMI	RADHA TANDON	1,038.00	OVERDUE
30	RAJGANGPUR	IDGAPADA-2	TAMMANA	GULNAJ PARWEEN	825.00	OVERDUE
31	RAJGANGPUR	IDGAPADA-2	TAMMANA	NAZMA KHATUN	764.00	OVERDUE
32	RAJGANGPUR	KUMBHARPADA-1	ANJALI	RANJU DEVI	724.00	OVERDUE

33	RAJGANGPUR	MASTER COLONY-1	UMA	JULEKHAKHATUN	5,233.00	OVERDUE
34	RAJGANGPUR	MISSION HATA-1	PRAGATI	KIRAN JAISWAL	524.00	OVERDUE
35	RAJGANGPUR	SHANTI NAGAR-2	MISHAL	EDNI BEGUM	972.00	OVERDUE
36	RAJGANGPUR	SHANTI NAGAR-4	NAHID	SUNAINA SHARMA	639.00	OVERDUE
37	RAJGANGPUR	SHANTI NAGAR-4	NISHA	CHANDRAKALA TANTY	1,306.00	OVERDUE
38	RAJGANGPUR	SHANTI NAGAR-4	NISHA	GULNAJ BEGUM	1,048.00	OVERDUE
39	RAJGANGPUR	SHANTI NAGAR-4	ROSY	SARASWATI SAHOO	808.00	OVERDUE
40	RAJGANGPUR	SHANTI NAGAR-4	ROSY	TULASI PARAMANIK	692.00	OVERDUE
41	RAJGANGPUR	SHANTI NAGAR-4	SANDHYA	ANITA PRASAD	1,220.00	OVERDUE
42	RAJGANGPUR	SHANTI NAGAR-4	SANDHYA	BIRAJINI EKKA	956.00	OVERDUE
43	RAJGANGPUR	SHANTI NAGAR-4	SANDHYA	MAYA NAYAK	852.00	OVERDUE
44	RAJGANGPUR	SHANTI NAGAR-4	SANDHYA	SANTI KIRAN GUDIA	963.00	OVERDUE
45	RAJGANGPUR	SHANTI NAGAR-4	SANDHYA	SAROJ DUNG DUNG	1,102.00	OVERDUE
46	RAJGANGPUR	TALKIPADA-3	JAMUNA	LAXMI KARSEL	1,227.00	OVERDUE
47	ROURKELA	AZAD BASTI-1	NAMASKAR	CHEENTA DEVI	792.00	OVERDUE
48	ROURKELA	AZAD BASTI-1	NAMASKAR	JANAKI DEVI	5,875.00	OVERDUE
49	ROURKELA	AZAD BASTI-1	NAMASKAR	MINATUN BIBI	990.00	OVERDUE
50	ROURKELA	AZAD BASTI-1	NAMASKAR	MUNIRA BIBI	2,800.00	OVERDUE
51	ROURKELA	AZAD BASTI-1	NAMASKAR	NAZBUN BEGUM	4,555.00	OVERDUE
52	ROURKELA	AZAD BASTI-1	NAMASKAR	NAZROON KHATOON	381.00	OVERDUE
53	ROURKELA	AZAD BASTI-1	NAMASKAR	RANJITA MAHARANA	885.00	OVERDUE
54	ROURKELA	AZAD BASTI-1	NAMASKAR	SABINA BEGUM	1,059.00	OVERDUE
55	ROURKELA	AZAD BASTI-1	SALAAM	SAIRA BIBI	338.00	OVERDUE
56	ROURKELA	AZAD BASTI-1	SALAAM	TARUN BIBI	811.00	OVERDUE
57	ROURKELA	BALIJODI-4	RAJASHRI	ASA SHARMA	2,371.00	OVERDUE
58	ROURKELA	BALIJODI-4	TRINATH	GITANJALI KHATUA	177.00	OVERDUE
59	ROURKELA	CONTRACTOR COLONY-1	SAHADA SUNDARI	MAMUNI PARIDA	1,714.00	OVERDUE
60	ROURKELA	CONTRACTOR COLONY-2	NAYIKA	GITANJALI PATTNAYAK	1,081.00	OVERDUE
61	ROURKELA	DUS QUARTERS-1	BHUMI LAXMI	MANJULATA DALAI	964.00	OVERDUE
62	ROURKELA	DUS QUARTERS-1	BHUMI LAXMI	MUNI NAYAK	1,120.00	OVERDUE
63	ROURKELA	DUS QUARTERS-1	BHUMI LAXMI	PRAMILA GOCHHAYAT	1,124.00	OVERDUE
64	ROURKELA	DUS QUARTERS-1	BHUMI LAXMI	SUSMITA BEHERA	1,092.00	OVERDUE
65	ROURKELA	GANESH CHOWK	BHAGYA BIDHATA	MINA SAHOO	2,890.00	OVERDUE
66	ROURKELA	GANESH CHOWK	BHAGYA BIDHATA	SMT.JULI	1,081.00	OVERDUE
67	ROURKELA	KHARIABAHAL-2	KHUSNUMA	KAISARI	1,000.00	OVERDUE
68	ROURKELA	KHARIABAHAL-2	KHUSNUMA	SARABANI BEGAM	4,384.00	OVERDUE

69	ROURKELA	MALGODOWN-1	REHNUMA	MANORA BIBI	5,320.00	OVERDUE
70	ROURKELA	RLY FATAK-1	KANAKA	ITURANI BANIK	1,233.00	OVERDUE
71	ROURKELA	RLY FATAK-1	KANAKA	KUMARI PATRA	1,360.00	OVERDUE
72	ROURKELA	RLY FATAK-1	KANAKA	SUNITA MISHRA	945.00	OVERDUE
73	ROURKELA	RLY FATAK-1	KANAKA	SUSUM DEVI	794.00	OVERDUE
74	ROURKELA	SARALA BASTI-1	SAMBHUNATH	JHUNA ROUT	1,384.00	OVERDUE
75	ROURKELA	SARALA BASTI-1	SAMBHUNATH	MURUBI LAKHUA	4,155.00	OVERDUE
76	ROURKELA	SARALA BASTI-1	SAMBHUNATH	RADHA KUMBHAR	3,480.00	OVERDUE
77	ROURKELA	SARALA BASTI-1	SAMBHUNATH	SUNDURI SANYASI	3,985.00	OVERDUE
<b>TOTAL</b>					<b>374,827.00</b>	