

STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2015

(Rs in Lakhs)

Particulars	Half year Ended 31-Mar-15	Half year Ended 31-Mar-14	Year Ended 31-Mar-15	Year Ended 31-Mar-14
	Unaudited	Unaudited	Audited	Audited
1. Interest earned (a) +(b)+ (c) +(d)	6,382.80	3,385.47	11,053.60	5,723.42
(a) Interest/ discount on advances/ bills	5,802.20	2,981.99	10,076.18	5,039.45
(b) Income on investments	-	-	-	-
(c) Interest on balances with Reserve Bank of India and other inter bank funds	-	-	-	-
(d) Others	580.60	403.48	977.43	683.97
2. Other Income	364.30	251.37	773.49	437.01
3. Total Income (1+2)	6,747.10	3,636.84	11,827.09	6,160.43
4. Interest Expended	3,021.02	1,741.47	5,505.72	2,840.35
5. Operating Expenses (i)+(ii)	2,141.12	1,039.20	3,532.74	1,869.48
(i) Employees cost	1,453.82	767.02	2,452.41	1,360.98
(ii) Other operating expenses (All items exceeding 10% of the total expenditure excluding interest expenditure may be shown separately)	687.30	272.18	1,080.33	508.50
6. Total Expenditure ((4+5) excluding provisions and contingencies)	5,162.14	2,780.67	9,038.46	4,709.83
7. Operating Profit before Provisions and Contingencies (3-6)	1,584.96	856.17	2,788.64	1,450.60
8. Provisions (other than tax) and Contingencies	129.58	102.93	239.33	162.25
9. Exceptional Items				
10. Profit (+)/ Loss (-) from Ordinary Activities before tax (7-8-9)	1,455.38	753.24	2,549.31	1,288.35
11. Tax expense	537.08	232.45	864.27	406.03
12. Net Profit(+)/ Loss(-) from Ordinary Activities after tax (10-11)	918.30	520.79	1,685.04	882.32
13. Extraordinary items (net of tax expense)				
14. Net Profit (+)/ Loss (-) for the period(12-13)	918.30	520.79	1,685.04	882.32
15. Paid-up equity share capital (Face Value of the Share shall be indicated)	3,296.93	2,670.27	3,296.93	2,670.27
16. Reserves excluding Revaluation Reserves (as per balance sheet of previous accounting year)	9,897.70	6,078.88	9,897.70	6,078.88
17. Analytical Ratios				
(i) Capital Adequacy Ratio	25.86%	27.64%	25.86%	27.64%
(ii) Earnings Per Share (EPS)-Basic (Not Annualised)	2.89	1.99	5.38	3.52
Earnings Per Share (EPS)-Diluted (Not Annualised)	2.87	2.00	5.35	3.52
(ii) Ratios				
a) Gross/Net NPA	4.04	3.97	4.04	3.97
b) % of Gross /Net NPA				
i) % of Gross NPA	0.13%	0.05%	0.13%	0.05%
ii) % of Net NPA	0.03%	0.01%	0.03%	0.01%
c) Return on Assets (Annualised)	2.91%	2.93%	2.91%	2.93%

1. The Company is registered as a Non Banking Financial Company – Micro Finance Institution on December 9, 2013.

2. The above financial results for the year ended March 31, 2015 has been approved by the Board of Directors at its meeting held on May 18, 2015.

3. During the year ended March 31, 2015 the Company has raised Rs. 27.7 crores by way of equity shares to new and existing investors.

4. During the year the Company has issued privately placed Non convertible debentures listed with BSE Limited.

5. The Company is primarily engaged in the business of Micro Finance in India. All the activities of the Company revolve around the main business. As such there is no separate business and geographic reportable segments as per Accounting Standard (AS) -17 "Segment Reporting".

6. Till the financial year ended March 31, 2014, borrowing cost incurred by the Company were recognised immediately in the Statement of profit and loss. In the current year, the Company has revised the accounting policy prospectively whereby these costs will be recognised as expense over the tenor of the borrowings. Had the Company continued to follow the earlier accounting policy, the finance cost would have been higher by Rs. 370 lacs and accordingly profit before tax would have been lower by the same amount.

7. Pursuant to Companies Act, 2013 being effective from April 1, 2014, the Company has revised depreciation rates on fixed assets as per the useful life specified in part 'S' of II of the Companies Act, 2013. As a result of this change, the depreciation charge for the year ended March 31, 2015 is higher by Rs. 43.25 lacs.

8. The shareholders vide special resolution dated May 14, 2015 approved the conversion of the Company from 'Private limited Company' into a 'Public Limited Company'. The Company is in the process of obtaining the necessary statutory approvals.

For Suryoday Micro Finance Pvt. Ltd.


Managing Director

Place : Navi Mumbai

Date: May 18, 2015

B S R & Co. LLP

Chartered Accountants

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Independent Auditors' Report

To the Members of Suryoday Micro Finance Private Limited

Report on the financial statements

We have audited the accompanying financial statements of Suryoday Micro Finance Private Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2015, the Statement of profit and loss, the Cash flow statement for the year then ended and a Summary of the significant accounting policies and other explanatory information.

Management's responsibility for financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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.

Independent Auditors' Report (Continued)

Suryoday Micro Finance Private Limited

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 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:

- (a) in the case the Balance sheet, of the state of affairs of the Company as at 31 March 2015;
- (b) in case of the Statement of profit and loss, of the profit for the year ended on that date; and
- (c) in case of the Cash flow statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2015 ('the Order') issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraph 3 and 4 of the Order.

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 so far as it appears from our examination of those books;
- c) The Balance sheet, the Statement of profit and loss, and the Cash flow statement dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards 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 2015, taken on record by the Board of Directors, none of the directors are disqualified as on 31 March 2015, from being appointed as a director in terms of Section 164 (2) of the Act; and



Independent Auditors' Report (Continued)

Suryoday Micro Finance Private Limited

- f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Others

The financial statements of the Company as at and for the year ended 31 March 2014 were audited by another auditor who expressed an unmodified opinion on those financial statements on 26 June 2014.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 01248W/W-100022



Manoj Kumar Vijai
Partner
Membership No: 046882

Mumbai
18 May 2015

Suryoday Micro Finance Private Limited

Annexure to the Independent Auditors' Report

(Referred to in our report of even date)

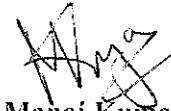
- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all the fixed assets are verified in a phased manner during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- ii. The Company is a Non-Banking Financial Company (NBFC), engaged in the business of providing loans. Accordingly, it does not maintain inventory. Hence, clause 4(ii) of the Order is not applicable.
- iii. According to the information and explanation given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act.
- iv. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, with regard to the purchase of fixed assets and sale of services. The activities of the Company do not involve purchase of inventory and sale of goods. We have not observed any major weakness in the internal control system during the course of the audit.
- v. According to the information and explanations given to us, the Company has not accepted any deposits from the public to which the provisions of section 73 to section 76 or other relevant provisions of the Act and rules framed there under apply.
- vi. The Central Government has not prescribed the maintenance of cost records under sub-section 1 of Section 148 of the Act, for any of the services rendered by the Company.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including income-tax, service tax and other material statutory dues have been generally 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 provident fund, employees' state insurance, wealth tax, sales tax, duty of customs, duty of excise, value added tax and cess. According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, service tax and other material statutory dues were in arrears as at 31 March 2015 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of income-tax, service tax and other material statutory dues which have not been deposited with the appropriate authorities on account of any dispute.
- (c) According to the information and explanations given to us, there are no dues of investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.

Suryoday Micro Finance Private Limited

Annexure to the Independent Auditors' Report (*Continued*)

- viii. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
- ix. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its bankers, debenture holders or to any other financial institutions.
- x. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- xi. In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they were raised.
- xii. According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the year.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 01248W/W-100022



Manoj Kumar Vijai

Partner

Membership No: 046882

Mumbai
18 May 2015