



Notice

Notice is hereby given that the Seventeenth Annual General Meeting of the Members of **M/s. TRIDENT MICROFIN PRIVATE LIMITED** will be held on Wednesday, the 15th of May, 2013 at, 10.00 a.m. at the Registered Office of the Company at D.No.11-8-15, MIG 33, Shree Sai Arcade, Saroornagar, Hyderabad – 500 035 to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013 and the Profit and Loss Account for the year ended on that date along with the Directors' Report and Auditors' Report thereon.
2. To appoint M/s. Vaithisvaran & Co., Chartered Accountants, Chennai as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting to the conclusion of next Annual General Meeting.

To consider and, if thought fit, to pass with or without modification the following resolution as an Ordinary resolution:-

“RESOLVED THAT pursuant to Section 224 and other applicable provisions, if any, of the Companies Act, 1956, M/s. Vaithisvaran & Co., Chartered Accountants, Chennai be appointed as the Statutory Auditors of the Company who shall hold office from this date to the conclusion of the next Annual General Meeting of the Company.

FURTHER RESOLVED THAT the Board of Directors be and is hereby authorized to fix the remuneration.”

SPECIAL BUSINESS:

To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:-

EXTENSION OF EMPLOYMENT OF MANAGING DIRECTOR:

“RESOLVED THAT consent of the Members be and is hereby accorded to approve the appointment of Mr. Kishore Kumar Puli, Director as Managing Director (MD) with effect from 1st January, 2013 to the conclusion of the next Annual General Meeting of the Company, subject to mutual satisfaction.

FURTHER RESOLVED THAT any one Director of the Company be authorized to intimate the authorities, if necessary, in this regard.”

For Trident Microfin Private Limited

(Kishore Kumar Puli)
Managing Director

Place: Hyderabad
Date: 22-04-2013



TRIDENT MICROFIN PRIVATE LIMITED

Admn. Off.: D.No. 11-8-15, MIG 33, Shree Sai Arcade, 1st & 2nd Floors, Saroor Nagar, Hyderabad - 500 035
Website : www.tridentmicrofin.com, email : info@tridentmicrofin.com, Ph : +91-40-23443210, 23443211, 23443212



NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE THEREAT INSTEAD OF HIMSELF / HERSELF. A PROXY NEED NOT BE A MEMBER.
2. The Instrument of Proxies to be effective must be lodged at the Registered Office of the company at least 48 hours before the meeting.
2. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of the business is annexed to this Notice.

**EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF
SECTION -173(2) OF THE COMPANIES ACT, 1956**

Mr. Kishore Kumar Puli was appointed as Managing Director of Trident Microfin Pvt. Ltd. on 1st January, 2008 by the Board. As per Article no. III, point no. 3.1 (h) of the Shareholders Agreement dated 8th January, 2008 the term of the Managing Director was fixed for five years. Accordingly the term of Mr. Kishore Kumar Puli as Managing Director is now required to be extended. Hence, the appointment of Mr. Kishore Kumar Puli as Managing Director requires your approval.

None of the Directors, except Mr. Kishore Kumar Puli is concerned or interested in this resolution.

The Directors recommended the resolution for approval of the members.

For Trident Microfin Private Limited

(Kishore Kumar Puli)
Managing Director



Place: Hyderabad
Date: 22-04-2013

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DIRECTORS' REPORT

To,
The Members,
M/s. Trident Microfin Private Limited,
D.No.11-8-15, MIG-33, Shree Sai Arcade,
2nd Floor, Saroor Nagar, Hyderabad- 500 035.

Your Directors have pleasure in presenting the Seventeenth Annual Report together with the Audited Balance Sheet as on 31st March, 2013 and the Profit & Loss Account for the period ended on that date along with the Report of Directors' and Auditors' thereon.

Change of Registered Office:

The members are aware that your Company had submitted an application to the Company Law Board seeking their permission to shift the registered office of the Company from Amritsar (Punjab) to Hyderabad (AP) as early as in 2009. After vigorous follow up with the authorities, the approval was finally received on 31.12.12 and the registered office of the Company stands shifted from that date to Hyderabad. The necessary follow up actions have also been completed.

Review of the developments in the MFI sector:

We had reported last year (2011-12) that though the year 2010-11 was rather a turbulent one for the microfinance sector, several positive developments such as the Malegam Committee Report, RBI Directives regarding creation of a separate category of NBFC MFIs, introduction of the Microfinance Bill in the Parliament etc. may improve the overall outlook for the sector. However, the subsequent developments or lack of them during the year 2012-13 have not provided much hope to the stake holders.

AP High Court Verdict

The much awaited judgment of the AP High Court was delivered on 11.02.13. However, the judgment has not provided any solution to the burning issues of the microfinance sector. The High Court, recognized the RBI as the regulator for the MFI sector, and also put it on record that the Central Government is enacting a comprehensive law for the MFI sector and therefore it felt that it is not required, at this stage, to examine the legality or otherwise of the AP MFI law. Thus, in effect, the AP MFI law continues to be on the Statute book and the restrictions on the MFIs will continue. Aggrieved with this development, the MFIN (the industry body for NBFC MFIs) has been examining the matter of filing an appeal in the Supreme Court.

Outlook for future:

The Microfinance (Development and Regulation) Bill 2012 is still awaiting the approval of the Parliament. While it looks quite unlikely that this bill will be passed in the present budget session, we are optimistic that this may be passed in the next session. This Bill, when passed will resolve several aspects of the functioning of the MFIs.



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Corporate Debt Restructuring (CDR)

Your Company has been discharging its obligations under the Debt Restructuring Package under CDR mechanism. The moratorium period of two years stipulated in the Debt Restructuring Package has ended on 31.03.2013. The Company is required to commence payment of periodical interest on the Term Loan with effect from 30.04.13. The Term Loan installments as well as the installments for repayment of FITL will commence from 30.06.13. As per the present financial position of the Company, we may not be able to pay the interest and the installments for the Term Loans and FITL beyond three to four months. Your Company is in touch with the Indian Overseas Bank which is the Monitoring Institution under CDR. They are convening a Joint Lenders Meeting shortly to review the situation of the Company and to decide about the future course of action.

Application to RBI for NBFC MFI License

Your Company has submitted the application to RBI seeking a license as an NBFC MFI in terms of the extant directives of the RBI, in September, 2012. The RBI had called for some additional data and documents which have also been furnished to them on 27.12.2012. We are awaiting the RBI license.

Financial Results

Due to the continuing uncertainty in AP the performance of the Company continued to be severely affected during Financial Year under review. As against the total income of Rs.939.23 lacs. for the year 2011-12, the Company could record a total income of Rs.477.52 lacs only during the year under review. This was obviously due to a drastically reduced level of operations.

The portfolio buyouts made by your Company from some MFIs was a good experience for the Company. We have recovered the entire amount from the clients.

Due to the reduced level of operations and a severe setback to the recovery performance and huge provisions made for the NPAs, particularly for AP portfolio, the Company incurred a huge loss of Rs.112.91 Cr. for the year and the net worth of the Company has turned negative for the first time.

The internal control and audit systems have been substantially improved compared to last year, with the continued Concurrent Audit (stipulated in the CDR package) as well as a C.A. firm continuing to carry out the internal audit work.

Dividend

No dividend has been recommended by the Board of Directors in view of non availability of profits for the company. Your Company could not pay any dividend on the preference shares also since no profits or surplus funds are available for the Company.

Capital Adequacy Ratio:

Due to the conversion of 50% of the outstanding loans by the lenders (25% as equity and 25% as Optionally Convertible Cumulative Redeemable Preference Shares (OCCRPS)) the CRAR of the Company got increased substantially to 60.19% as on 31.03.12. However, due to huge provisions



made for the NPAs as per the existing RBI norms applicable to NBFCs, the Company has turned negative in its networth. As per the RBI guidelines as applicable to our Company presently, the CRAR is zero. As already stated above, the Company has applied for an NBFC-MFI license to the RBI and as and when the said license is issued, the CRAR will be recomputed as per the relaxations given by the RBI vide their circular No.DNBS (PD) CC.No.300/03.10.038/2012-13 dated 03.08.12. As per our calculations the CRAR will stand revised to 51.33% as per the RBI relaxations for AP based MFIs. This issue has been taken up with the CDR lenders and several solutions such as further conversion of debt into equity etc. are being explored.

Board of Directors

Sri M.Lakshminarayana, General Manager, Indian Overseas Bank, Hyderabad, relinquished charge as the nominated director due to his retirement, with effect from 31.01.13. Sri K.Swaminathan, Deputy General Manager, Indian Overseas Bank, Regional Office, Hyderabad, was nominated as a Director and Non-Executive Chairman of the Board representing the CDR lenders with effect from 31.01.13.

Sri Vishal Bharat, a Director nominated by the investors, resigned from Board with effect from 25.06.12. Now the Board consists of only three Directors viz. Sri K.Swaminathan, Sri Kishore Kumar Puli and Sri Rahul Jakatdar. We have been making efforts to broad base the Board by inviting suitable persons. We had requested all the CDR lenders to consider nominating a suitable person as a Director on the Board. The response was lukewarm. Due to the prevailing uncertain situation in the sector the persons contacted by us did not evince interest in the matter. However, our efforts are continuing.

Audit Committee

Pursuant to the provisions of section 292A of the Companies Act, 1956, the company has an Audit Committee of the Board of Directors. The Audit Committee was also reviewing the risk management functions since the composition of the committee would be with the same members. The RBI during their inspection have suggested that there should be a separate Risk Management Committee. Accordingly a Risk Management Committee is being constituted with the approval of this Board.

- | | |
|---------------------------|----------|
| 1. Mr. Rahul Jakatdar | - Member |
| 2. Mr. Kishore Kumar Puli | - Member |

Fixed Deposits

The Company has not accepted any fixed deposits and the provisions of Section 58A of the Companies Act, 1956 are not applicable to the Company

Directors' Responsibility Statement

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Directors confirm:

- i) that in the preparation of the Annual Accounts for the Financial Year ended 31st March, 2013, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;



- ii) that 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/Loss of the Company for the period under review;
- iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv) that the Directors have prepared the Annual Accounts for the Financial Year ended 31st March, 2013 on a ‘going concern’ basis.

Personnel

There is no employee whose information is required to be provided as per Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

Conservation of Energy

The business of the Company is in the field of services sector and is not in the field of manufacturing. The Company does not have any information to furnish with respect to conservation of energy, technology absorption and foreign exchange earnings and outgoes.

Research and Development (R & D)

- | | | |
|------|--|-----|
| i. | Specific areas in which R & D carried out by the Company | Nil |
| ii. | Benefits derived as a result of the above R&D | Nil |
| iii. | Expenditure on R & D | Nil |

Technology Absorption, Adaptation and Innovation

- | | | |
|----|------------------------------------|-------|
| a. | Technology imported | Nil |
| b. | Year of import | -N.A- |
| c. | Has technology been fully absorbed | Nil |
| d. | Technical collaborator | Nil |

Foreign Exchange Earnings and Outgo

(Amount - Rs.)

Particulars	2011-2012	2010-2011
Foreign Exchange inward	Nil	Nil
Foreign Exchange out go	Nil	Nil

Comments on the Observations of the Statutory Auditors

- Observations of the auditors are given in bold italics below for which our comments are given.



Royal Bank of Scotland:

Interest accrued and due on term loan availed from Royal Bank of Scotland is Rs.5,034,494 as per balance confirmation received the bank whereas the amount provided in the books of the company for this loan is Rs. 2,804,902/. To this extent of Rs.2,229,592 losses are understated and current liability is understated. (para 7(a) of the Auditor's report to the Members)

Based on our audit procedures and as per the information and explanations given to us, the company has not remitted principal repayments& interest payments to Royal Bank of Scotland from February,2011. The amount of principal repayment overdue is Rs.11,800,000 and interest repayment overdue is Rs.5,034,494.31/- Interest amount as confirmed by the bank. (Para xi of the annexure to the Auditor's report)

The Company was sanctioned a Debt Restructuring Package under the CDR mechanism in June 2011, and the lenders joined the CDR except Royal Bank of Scotland (RBS) who did not join the CDR in spite of our repeated requests. As per the CDR stipulations, all payments to any non-CDR lenders have to be done only with approval of the CDR Empowered Group (EG).

Though the RBS has been advising us to repay their loans, we have been requesting them to join the CDR and avail the same privileges as available to other lenders to ensure uniformity. We have also expressed our inability to make any payments to them since that would be in breach of the CDR stipulations. Hence, it was not felt necessary by the Company to make any provision other than for the normal term loan and the interest at the originally stipulated rate.

RBS has now offered One Time Settlement (OTS) vide their letter dated: 20-03-2013. The settlement amount quoted is Rs.76,72,187/- as against an accrued amount of Rs.1,65,83,427.66/- including interest, constituting 46.26% of the accrued amount. The bank wanted us to pay the amount by 30-04-2013.

The OTS offer of the bank has been referred to Indian Overseas Bank, the Monitoring Institution (MI) for referring to the Monitoring Committee (MC) to consider the proposal as per the terms of CDR package. The MI is convening a meeting of all the CDR lenders shortly to discuss and decide about this issue.

2. *The correct CRAR of 0% is less than the minimum CRAR of 15% prescribed by the Reserve Bank vide DNBS.PD/CC.No 138/03.02.002/2008-09 dated 24-04-2009; (para g (a) of the Auditor's report to the Board of Directors)*

The Statutory Auditors have computed the CRAR as per the extant directives of the RBI mentioned by them applicable to the normal NBFCs. The Company has already submitted an application to the RBI seeking a license as an NBFC-MFI as per the new directives of the



RBI vide their circular No. DNBS (PD) CC.No.300/03.10.038/2012-13 dated 03/08/2012. The Company's application is under the consideration of the RBI. The RBI have given certain relaxations to the MFIs having a major portfolio in the state of A.P. for computation of the CRAR in view of the continuing uncertain situation in A.P.

Taking these relaxations into account, the CRAR of the Company comes to 51.33%. The CRAR satisfies the present RBI norms for NBFC MFIs and once the Company is issued the NBFC MFI license by the RBI, the revised CRAR as mentioned above becomes applicable to the Company.

3. *"In respect of overdues loans and area level defaults by members, the Company relies on the information of the designated collection staff with regard to repayments affected by the members. There is no process to validate the information provided by such staff. On account of the foregoing, in our opinion, the Internal Control procedure of the Company with respect to the process of collection/recovery dues from its members is not adequate."*

As already explained in para-1 of the note relating to *Significant Accounting Policies*, due to the enactment of a stringent law relating to the functioning of the MFIs by the A.P. State Government, the Company staff is prohibited from approaching its clients for recoveries or disbursements at their residences / neighbourhood areas. Hence, there is hardly any scope for improvement in changing the process of collections. However, our Internal Auditors verify, at random, the recoveries made by the field staff in respect of all loans, including overdue loans, by contacting the clients and scrutinizing their loan cards with the Company data.

As per the branch audit reports submitted by the Statutory Auditors, the process of collection and recovery in Maharashtra and Madhya Pradesh areas is observed to be satisfactory.

4. *The company has accumulated losses at the end of the financial year in excess of fifty percent of its net worth and has incurred cash in the current financial year and immediate previous year. (para (x) of the Annexure to the Auditors' Report).*

The Circumstances leading to the cash losses incurred by the Company have already been explained in detail in first para of the Significant Accounting Policies document under the heading "*Nature of Business*". The promulgation of an MFI Ordinance by the Government of AP on 15.10.10 (followed by an enactment) had totally crippled the functioning of the MFIs in the state. Disbursements and recoveries came to a grinding halt. Since, 80% of the loan portfolio of the Company is situated in A.P., the provisions for bad and doubtful debts



shot up to Rs.98.47 Cr. for the year 2012-13 as against R.2.82 Cr. for the previous year (2011-12).

In spite of such a precarious situation, the Company could remain afloat thanks to a Debt Restructuring Package under the CDR mechanism. The Company fulfilled all the requirements of the CDR package. The MFI sector was eagerly awaiting some positive developments such as a favourable court judgment, central law on MFIs, more constructive intervention by the Regulator (RBI) etc., but all the hopes of the sector were in vain. Hence, the Company had to close its books for the year 2012-13 with a negative cash inflow of Rs.5.13 Cr. as against a positive cash inflow of Rs.10.50 Cr. for the previous year (2011-12). The entire MFI sector in the state of A.P. was affected in a similar way.

From the foregoing paragraphs it may please be appreciated that the cash losses incurred by the Company were due to reasons entirely beyond its control.

Acknowledgments

Your Directors would like to express their grateful appreciation for the assistance and co-operation received from the Reserve Bank of India, Banks and Financial Institutions, Corporate Debt Restructuring Cell, Insurance Regulatory and Development Authority (IRDA), Government Authorities including Tax Authorities, Customers and Shareholders for the confidence reposed in the Company, during the year under review.

Your directors also wish to place on record their deep sense of appreciation for the commitment and dedication of Trident family, who continue to show lot of forbearance in the trying situation.

For and on behalf of the Board of Directors



Rahul Jakatdar
Director

Kishore Kumar Puli
Managing Director

Place: Hyderabad
Date: 22.04.2013



**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF TRIDENT MICROFIN PRIVATE LIMITED**

Report on the Financial Statements

1. We have audited the accompanying financial statements of Trident Microfin Private Limited ('the Company'), which comprise the Balance Sheet as at **31st March 2013**, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. Management is responsible for 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 misstatements.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.
6. **We invite attention** to the following notes to the financial statements relating to certain accounting and other matters in Note 1 of the accompanying financial statements wherein it is indicated that:
 - a. The Company has accumulated losses of Rs.12771.32 Lakhs as on 31st March 2013 resulting in complete erosion of net worth. The networth is negative by Rs.6754.83 Lakhs as on 31st March 2013. The shareholders have not committed further infusion of funds or conversion of their debts and optionally convertible preference shares into equity. The present networth of the Company is less than the prescribed regulatory guideline.





- b. The 'Capital Adequacy Ratio' as computed in Note 28 is 'Zero' which is lower than the prescribed regulatory guideline of minimum 15%.
- c. The Company is likely to have inadequate funds to service its debt obligations.

In our opinion, the ability of the Company to continue as going concern is dependent on the improvement of Company's future operations and the continued support from the shareholders and financiers. Hence, we are unable to comment on the adjustments relating to recoverability and classification of assets and liabilities that might be necessary should the Company be unable to continue as going concern.

7. Our comments on the accounts are as below:

- a. *Interest accrued and due on term loan availed from Royal Bank of Scotland is Rs.5,034,494 as per balance confirmation received from the bank; whereas the amount provided in the books of the Company for this loan is Rs. 2,804,902/. To this extent of Rs.2,229,592- losses are understated and current liability is understated.*

Opinion

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2013;
- (b) in the case of the Profit and Loss Account, of the loss for the period ended on that date; and
- (c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2003 issued by the Government of India in terms of Section 227 (4A) of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.

10. As required by section 227 (3) of the Act, we report that:

- (a) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the 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 the books;





REPORT OF THE CHARTERED ACCOUNTANT ON BALANCE SHEET

- (c) the Balance Sheet and Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (d) In our opinion, the Balance Sheet and Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
- (e) on the basis of written representations received from the Directors as on 31 March, 2013 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31 March, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of The Companies Act, 1956;
- (f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Act nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company

For Vaithisvaran & Co.,
Chartered Accountants

G Nagaraju
Partner
Membership No. 209048
Firm Regn No. 4494S
Date: 22nd April 2013





ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT
(Referred to in our report of even date)

As required by the Companies (Auditor's Report) Order, 2003 issued by the Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we report that:

- (i) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets of the Company were physically verified during the period by the management. According to the information and explanations given to us no material discrepancies were noticed on such verification and the Company is taking suitable measures to address the discrepancies noticed.
 - (c) No material fixed assets were disposed during the year and therefore do not affect the going concern assumption.
- (ii) The Company is a Non Banking Finance Company engaged in the business of micro-finance. It does not maintain any inventory. Hence provisions of 4(ii) of the Order are not applicable.
- (iii) In our opinion and according to the information and explanations given to us, the Company has not taken / granted any loans, secured or unsecured from/to Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and sale of services and we have not observed any continuing failure to correct major weaknesses in such internal controls. *In respect of overdue loans and area level defaults by members, the company relies on the information of the designated collection staff with regard to repayments effected by the members. There is no process to validate the information provided such staff. On account of the foregoing, in our opinion, the internal control procedure of the Company with respect to the process of collection / recovery of dues from its member(s) is not adequate.*
- (v) To the best of our knowledge and belief and according to the information and explanations given to us, all the contracts required that were needed to be entered in the register maintained in pursuance of section 301 of the Companies Act 1956 have been entered in the register.
- (vi) The Company has not accepted deposits from the public.
- (vii) The Company has an internal audit system. The internal audit system is in our opinion is adequate and commensurate with the size and nature of operations.
- (viii) To the best of our information, Central Government has not prescribed maintenance of Cost Records under clause (d) of Sub-Section (1) of Section 209 of The Companies Act, 1956 for any of the services rendered by the Company.





(ix)

(a) In respect of statutory and other dues, according to the information and explanations given to us, the Company has been generally regular in depositing undisputed statutory dues, including Employees Provident Fund, Income-tax, Service Tax, and any other material statutory dues with the appropriate authorities during the period. *There are no arrears as at 31st March 2013 for a period of more than six months from the date they became payable except in the case of Service Tax due of Rs.4,37,014 and interest thereon of Rs.73,052(till April 15th 2013).*

(b) According to information and explanation given to us, there are no dues under dispute in respect of Income Tax and Service Tax that have not been deposited with the appropriate authorities.

(x) *The Company has accumulated losses at the end of the financial year in excess of fifty percent of its net worth and has incurred cash losses in the current financial year and immediate previous year.*

(xi) *Based on our audit procedures and as per the information and explanations given to us, the Company has not remitted principal repayments& interest payments to Royal Bank of Scotland from February2011. The amount of principal repayment overdue is Rs.11,800,000 and interest repayment overdue is Rs.5,034,494.31(interest amount as confirmed by the bank).*

(xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures or other securities. Hence, provisions of clause 4(xii) of the Order are not applicable.

(xiii) The Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore the provisions of clause 4(xiii) of the Order are not applicable to the Company.

(xiv) In our opinion and according to the information and explanations given to us, the Company is not trading or dealing in share, securities, debenture or other investments. Therefore provisions of clause 4(xiv) of the Order are not applicable.

(xv) According to the information and explanations given to us the Company has not given any guarantee for the loans taken by others from bank or financial institution. Hence provisions of clause 4(xv) of the Order are not applicable.

(xvi) The Company has applied term loans for the purposes for which the loans were obtained.

(xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, funds raised on short term basis have, prima facie, not been used during the period for long term investment.

(xviii) The Company has not made preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of The Companies Act, 1956.





- (xix) No debentures have been issued during the year hence provisions of clause 4(xix) of the Order are not applicable.
- (xx) The Company has not raised any money by public issue of shares hence provision of clause 4(xx) of the Order is not applicable.
- (xxi) To the best of our knowledge and belief, and according to the information and explanations given to us, there are no frauds noticed by the Company during the period.

For Vaithisvaran & Co.,
Chartered Accountants

G. Nagaraju
Partner
Membership No. 209048
Firm Regn No: 4494S
Place: Hyderabad
Date: 22nd April 2013.





**INDEPENDENT AUDITORS' REPORT
TO THE BOARD OF DIRECTORS OF TRIDENT MICROFIN PRIVATE LIMITED**

Report on the Financial Statements

1. We have audited the accompanying financial statements of **Trident Microfin Private Limited** ('the Company'), which comprise the Balance Sheet as at **31st March 2013**, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. Management is responsible for 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 misstatements.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion

Opinion

Further to our comments in the Audit report under section 227 of the Companies Act, 1956 dated 22nd April 2013 and the annexure there to and as required by the Non-Banking Finance Company Auditor's Report (Reserve Bank) Directions, 2008, issued vide RBI/2008-2010/193 DNBS (PD) CC No.129/03.02.82/2008-2010 dated 23rd September 2008, we give hereunder, a statement on the matters specified in paragraphs 3 and 4 of the said Order:





- a) the Company is engaged in the business of Non-Banking Finance Company (NBFC) and it has obtained Certificate of Registration (COR) from The Reserve Bank Of India (RBI) vide registration number B-06.00409 dated 04-05-2010.
- b) in our opinion, the Company is entitled to hold COR in terms of its asset/income pattern as on March 31st 2013 read with RBI / 2006-2007/158 DNBS (PD) CC No. 81/03.05.002/2006-2007 dated October 19, 2006
- c) based on the criteria set forth by RBI in circular number DNBS (PD) CC No. 85/03.02.089/2006-2007 dated December 6, 2006 for classification of NBFCs as Asset Finance Company (AFC) the Company falls under classification as a Loan Company (Non Deposit Accepting – Systemically Important) (NBFC-ND-SI-LC).
- d) The Board of directors has passed a resolution for non-acceptance of any public deposit on **23rd April 2012**.
- e) The Company has not accepted any public deposit during the year ended 31st March 2013.
- f) The Company has complied with prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it in terms of Non-Banking Financial (Non-Deposit accepting or Holding) Companies Prudential Norms (Reserve Bank) Direction, 2007 dated February 22, 2007 vide Notification Number DNBS. 193 DG (VL) – 2007.
- g) The Company is a systemically important NBFC as at 31st March 2013:
 - a. **The CRAR of 0% is less than the minimum CRAR of 15% prescribed by the Reserve Bank vide DNBS.PD/CC.No 138/03.02.002/2008-09 dated 24-04-2009;**
 - b. The Company has furnished to the Reserve Bank the monthly statement of capital funds, risk assets/exposures and risk asset ratio (NBS-7) with minor delays.

For Vaithisvaran& Co.,
Chartered Accountants

G Nagaraju

Partner

Membership No. 209048

Firm Regn: 4494S

Date: 22nd April 2013



G. Nagaraju

TRIDENT MICROFIN PRIVATE LIMITED

Regd Office: 11-8-15, MIG 33, Shree Sai Arcade, Saroor Nagar, Hyderabad - 500035.

BALANCE SHEET AS AT 31ST MARCH 2013



(Amounts in INR)

Particulars	Note No.	For the year ended 31st March 2013	For the year ended 31st March 2012
		Amount	Amount
EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	2	808,975,610	804,295,610
(b) Reserves and surplus	3	-1,149,941,573	-22,634,101
Share application money pending allotment		-	4,680,000
Non-current liabilities			
(a) Long-term borrowings	4	694,847,245	724,647,011
(b) Long-term provisions	5	1,556,674	1,454,906
Current liabilities			
(c) Other current liabilities	6	114,435,128	21,548,161
(d) Short-term provisions	7	2,601,412	337,624
TOTAL		472,474,496	1,534,329,211
ASSETS			
Non-current assets			
(a) Fixed assets	8		
(i) Tangible assets		6,519,763	8,548,998
(ii) Intangible assets		1,396,631	4,268,058
(iii) Intangible assets under development		-	-
(b) Non-current investments	9	500,000	500,000
(c) Deferred tax assets (net)		-	38,662,466
(d) Long-term loans and advances	10	887,839	19,208,371
Current assets			
(a) Cash and Bank Balance	11	263,275,675	318,808,944
(b) Short-term loans and advances	12	1,286,152,628	1,221,108,737
Less: Provision for Bad & Doubtful Debts and Contingent provision against standard assets		1,087,653,386	120,918,348
Net Short-term loans and advances		198,499,242	1,100,190,389
(c) Other current assets	13	1,395,346	44,141,985
TOTAL		472,474,496	1,534,329,211
Significant Accounting Policies			
Notes to Accounts	1 to 32		

As per our report of even date

For Vaithisvaran & Co.,

Chartered Accountants

G. Nagaraju

Partner

M.No: 209048

Firm Regn No: 44945

Place: Hyderabad

Date: 22nd April 2013



For and on behalf of the Board

Rahul Jakatdar
Director

P Kishore Kumar
Managing Direct

Rimpa Sarkar
Company Secretary



TRIDENT MICROFIN PRIVATE LIMITED

Regd Office: 11-8-15, MIG 33, Shree Sai Arcade, Saroor Nagar, Hyderabad - 500035.
PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013



(Amounts in INR)

Particulars	Refer Note No.	For the year ended 31st March 2013	For the year ended 31st March 2012
Revenue from operations	14	47,267,044	86,835,690
Other income	15	485,090	7,087,720
Total Revenue		47,752,134	93,923,410
<u>Expenses:</u>			
Employee benefits expense	16	29,738,647	44,874,291
Finance costs	17	94,400,384	88,237,679
Depreciation and amortization expense	8	4,963,984	13,600,036
Other expenses	18	17,877,358	24,200,389
Provisions on Bad and Doubtful loans, loan losses and other assets	19	984,737,038	28,247,378
Total expenses		1,131,717,410	199,159,773
Profit before exceptional and extraordinary items and tax (III-IV)		(1,083,965,276)	(105,236,363)
<u>Exceptional items / Extraordinary Items</u>			-
Loss On Default Guarantee	29	6,776,127	
Profit before extraordinary items and tax (V - VI)		(1,090,741,403)	(105,236,363)
Net Prior Period Adjustments	30	-256,828	1,254,190
Profit before tax (VII- VIII)		(1,090,484,576)	(106,490,553)
Tax expense:	20		
(1) Current tax			
(2) Deferred tax		38,662,466	22,717,145
Profit (Loss) for the period (XI + XIV)		(1,129,147,041)	(129,207,698)
Earnings per equity share:	21		
(1) Basic		(23.88)	(4.31)
(2) Diluted		(23.88)	(4.31)

As per our report of even date

For Vaithisvaran & Co.,
Chartered Accountants

G. Nagaraju

Partner

M.No: 209048

Firm Regn No: 44945

Place: Hyderabad

Date: 22nd April 2013



For and on behalf of the Board

Rahul Jakatdar

Director

P Kishore Kumar

Managing Director



Rimpa Sarkar
Company Secretary



TRIDENT MICROFIN PRIVATE LIMITED

Regd Office: 11-8-15, MIG 33, Shree Sai Arcade, Saroor Nagar, Hyderabad - 500035.

CASH FLOW STATEMENT FOR THE PERIOD 1st APRIL 2012 TO 31st MARCH 2013

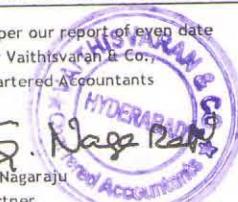
(Amounts in INR)

Particulars	AUDITED	AUDITED
	For the year ended 31-03-2013	For the year ended 31-03-2012
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profits / (Losses) before taxes	-1,090,484,576	-106,490,553
Adjustments for non-cash expenditures :		
Depreciation on fixed assets	2,092,557	7,306,475
Amortisation of intangible assets	2,871,427	6,293,561
Provision for gratuity	132,458	84,069
Provision for Bonus	30,000	-
Interest and finance charges paid on borrowings (including accrued interest)	94,400,384	87,479,722
Loss on Default Guarantee	6,776,127	-
Provisions on Bad and Doubtful loans, loan losses and other assets	984,737,038	28,297,408
Prior Period Adjustment	-256,828	228,348
Other Non Cash Expenses Adjusted	4,249,763	-1,839,569
Profit on sale of asset	-307,004	-816,983
Adjustments for non-cash Income :		
Accrued Interest on loan to members	-437,927	-3,467,076
One Time Settlement Income for Term Loan	-	-6,131,082
Accrued Interest on Fixed Deposits	-567,636	-250,265
Operating profits / (losses) before working capital adjustments	3,235,783	10,694,055
Adjustments for increase / decrease in working capital		
Decrease / (Increase) in Short Term loans and advances	-65,043,891	250,168,575
Decrease / (Increase) in other current assets (other than loans and advances)	47,309,261	103,350,430
Increase / (Decrease) in current liabilities (other than loans payable)	-5,261,474	-109,761,652
Cash generated from operations	-19,760,321	254,451,408
Taxation and others - Income tax/FBT etc paid	-	-
Net cash generated from operation activities	"A"	
B. CASH FLOW FROM INVESTMENT ACTIVITIES		
Net Decrease / (Increase) in long term loans and advances'	320,532	392,101
Sale / (Purchase) of fixed assets net of sales	243,683	926,777
Net cash used in investment activities	"B"	564,215
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase in Share Capital	-	9,480,000
Term loans availed during the period	-	-
Term loan installments paid during the period	-11,574,654	-133,568,099
Interest and finance charges paid on borrowings	-13,772,962	-26,656,594
Unsecured loans availed / repaid during the period	-	-
Loss on Default Guarantee	-6,776,127	-
Net cash flow from Financing activities	"C"	-32,123,743
NET INCREASE OR (DECREASE) IN CASH OR CASH EQUIVALENTS ("A" + "B" + "C")		-51,319,849
Opening cash or cash equivalents		105,025,593
Closing cash or cash equivalents (read with note 11)	312,382,019	207,356,428
NET INFLOW / (OUTFLOW) DURING THE YEAR	261,062,170	312,382,021
		-51,319,849
		105,025,593

As per our report of even date

 For Vaithisvaran & Co.,
 Chartered Accountants

G. Nagaraju
 Partner
 M.No: 209048
 Firm Regn No: 44945
 Place: Hyderabad
 Date: 22nd April 2013



For and on behalf of the Board

 Rahul Jakatdar
 Director

 P Kishore Kumar
 Managing Director

 Rimpa Sarkar
 Company Secretary


TRIDENT MICROFIN PRIVATE LIMITED

Regd Office: 11-8-15, MIG 33, Shree Sai Arcade, Saroor Nagar, Hyderabad - 500035.

Notes to Financial Statements & Significant Accounting Policies for the Year ended 31st March 2013

NOTES TO ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES

A. Nature of Business

Trident Microfin Private Limited is a Non-Banking Finance Company registered with Reserve Bank of India. The Company provides micro-finance credit facilities to low income women groups and farmer groups under group guarantee scheme, to individual entrepreneurs and Infrastructure development loans to educational institutions. The micro-finance loans to women groups, farmer groups and individual entrepreneurs are unsecured and do not have an underlying collateral; while the infrastructure development loans are secured by third party property collateral cum guarantee.

The Company commenced its micro-finance operations on 1st January 2008. Number of branches in operation are 36 as on 31st March 2013. The minimum and maximum loan amounts are Rs.6000 and Rs.50000 respectively in respect of micro-finance programs; wherein the loans are generally sanctioned for 50 weeks or 18 months tenor with weekly or monthly repayments. In respect of Infrastructure development loans to educational institutions the minimum and maximum loan amounts are Rs.50000 to Rs.5 Lac repayable over a period of 12 to 48 months with a moratorium period of 2 to 6 months. Such infrastructure development loans are secured by equitable mortgage of property.

The micro-finance borrowers are offered life insurance cover as per arrangement with insurance companies.

The Company also manages micro-finance portfolio on behalf of banks with whom it has entered into specific arrangements.

The Company adopts Know Your Customer (KYC) norms, Fair Practices Code for Non-Banking Financial (Non-Deposit accepting or holding) companies and other guidelines issued by Reserve Bank of India from time to time.

In October 2010 the Andhra Pradesh (A.P.) State Government promulgated an ordinance severely restricting the operations of the micro-finance institutions (MFIs). The MFIs were prohibited from meeting their borrower / clients at their residences / neighbourhood. The very business model of the microfinance sector, viz. delivering the services of disbursement of loans as well as recovery of dues at the very door step of the clients, was affected. The recovery performance of the Company was also severely affected causing significant impairment of the micro-finance portfolio in AP as well as in the immediately adjoining areas of the State to the extent of about Rs.111 Crores. At the time of issuance of the ordinance, 80% of the portfolio of the Company was in the state of A.P. with almost 97% recovery.

Subsequent to the A.P. legislation and adverse publicity against MFIs by the local media, the collections from borrowers trickled to almost NIL. The Company by itself and through MFIN (association of Non-Banking Finance Company micro-finance Institutions) made efforts to salvage the situation including approaching the courts for judicial remedy / relief etc.



TRIDENT MICROFIN PRIVATE LIMITED

Board Office: 11-8-15, MIG 33, Shree Sai Arcade, Saroor Nagar, Hyderabad - 500035.

Regd Office: 11-8-15, MID 33, Shree Sai Arcade, Gurukul Marg, Dehradoon.

Meanwhile the Company approached its bankers and other lenders for re-structuring of its debts under the Corporate Debt Resturcturing package. The proposal was favourably viewed by the bankers and a Master Restructuring Agreement (MRA) was executed in September,2011. The key terms of MRA were: conversion of 25% of debt outstanding as on 31.03.2011 into equity; 25% of debt outstanding as on 31.03.2011 into Optionally Convertible Cumulative Redeemable Preference Shares (OCCRPS); and the remaining 50% of the debt to be repaid within a period of eight years including a moratorium period of two years. However no support was offered in terms of fresh sanction of funds to enable expanding operations to outside A.P. areas.

The MFIN had filed a petition in the A.P. High Court and the same came up for hearing after a delay of more than two years in November, 2012. Finally the judgement was delivered on 11th February 2013. But the judgement did not solve the problem. As the High Court has not delivered a definitive judgement, MFIN is now proposing to approach the Supreme Court of India. Thus even after about 30 months of the AP MFI Ordinance, there is no improvement on the situation for the MFIs or rather it is deteriorating. As per Reserve Bank of India guidelines, 100% provision is required to be made for all loans overdue for more than 730 days.

Hence during the year the company has to provide Rs.9,667.37 Lakhs (previous year Rs.282.47 Lakhs on account of provisioning for the non-performing micro finance portfolio thus resulting in a huge loss of Rs.11,291.47 Lakhs (previous year Rs. 1,292.08 Lakhs). These losses have completely eroded the networth of the company. The networth as on 31st March 2013 is Negative by Rs.6,754.77 Lakhs which is below the minimum statutory amount of Rs.25 Lakhs. Due to the negative networth, the 'Capital Adequacy Ratio' is zero which is less than the minimum regulatory ratio of 15%.

The Company has repayment obligations under CDR arrangements in the ensuing year which are more than the available liquid funds. The Company will not be able to honour its repayment obligations in the absence of necessary support and relief from the bankers, lenders and other stake holders.

Hence, the Company is looking forward for the support from stake holders and regulators to turn around its financial position.

B Basis of preparation of financial statements

The financial statements are prepared under historical cost convention ongoing concern basis in accordance with the provisions of the Companies Act, 1956 and comply with the Accounting Standards as specified in the Companies (Accounting Standards) Rules, 2006, prescribed by the Central Government to the extent applicable and in accordance with directions issued by the Reserve Bank of India (RBI) for Non-Banking Financial (Non-Deposit Accepting or Holding) companies prudential norms (Reserve Bank Directions 2007 as is applicable for these financial statements.

C Use of Estimates

The preparation of financial statement in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of financial statement and the reported incomes and expenses during the reporting period end, like estimation of contingent liabilities, provision for employee benefits, provisioning for receivables, useful life of fixed assets, provision for taxation etc. Although these estimates are made on reasonable and prudent basis based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

TRIDENT MICROFIN PRIVATE LIMITED

Regd Office: 11-8-15, MIG 33, Shree Sai Arcade, Saroor Nagar, Hyderabad - 500035.

Notes to Financial Statements & Significant Accounting Policies for the Year ended 31st March 2013

D. Revenue Recognition

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

Interest on loan is recognized on diminishing rate basis as is charged to borrower accounts. Interest is

- a. recognized on accrual basis. However, income on non-performing assets (NPA) is recognized only when realized and unrealized interest on non-performing assets is reversed from the current interest, when an asset becomes an NPA.
- b. Loan processing fee is charged to members and realized upfront and hence is recognized wholly on receipt.

For members covered by life insurance for them / their spouses, in the unfortunate event of death of member / spouse; the Company collects interest for four weeks after the event at the time of claim

- c. settlement by the insurance Company. Such amount is adjusted in the claim amount received from the insurance Company. This interest income is recognized only on receipt basis.
- d. Any amount received from portfolio written off earlier is treated as income on realization basis
- e. All other incomes and expenditures are recognized on accrual basis.

E. Fixed Assets

Fixed assets are accounted at historical cost net of depreciation. The cost of the asset includes purchase price and any cost directly attributable to bringing the asset in working condition for its intended use.

F. Depreciation

Depreciation has been provided on the written down value method at the rates prescribed under Schedule XIV of the Companies Act, 1956.

Fixed assets costing up-to Rs.5000 individually are fully depreciated in the year / period of purchase.

G. Impairment of Assets

The carrying amount of asset is reviewed at each balance sheet date if there is any indication of impairments based on internal / external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

H. Intangible Assets

Acquired goodwill, valued at cost of acquisition, is amortised over five years.

I. Investments

Investments which are to be held for long term are stated at cost with provision, where necessary, for diminution, other than temporary, in the value of the investments.

Current investments are stated at lower of cost and fair value.



TRIDENT MICROFIN PRIVATE LIMITED

Regd Office: 11-8-15, MIG 33, Shree Sai Arcade, Saroor Nagar, Hyderabad - 500035.

Notes to Financial Statements & Significant Accounting Policies for the Year ended 31st March 2013

J. Employee Benefits

Provident Fund Contribution:

Monthly employer contribution towards provident fund is charged to Profit and Loss Account on actual liability basis as per the provisions of Employees Provident Fund and Miscellaneous Provisions Act, 1952. The contribution is paid to the provident fund accounts of the employees as per existing provisions of Employees Provident Fund and Miscellaneous Provisions Act, 1952.

Employee State Insurance (ESI): The Company provides ESI benefit to all its eligible staff as per Employee State Insurance Act, 1948

Gratuity:

Gratuity liability is to be provided based on actuarial valuation at the end of each year under projected unit credit method.

Gratuity is to be paid to all eligible employees at the rate of 15 days salary for each year of service as per Payment of Gratuity Act, 1972.

The Company is in the process of obtaining Gratuity Insurance Cover.

Other short term employee benefits are recognized on payment basis and charged to profit and loss account.

K. Income Taxes

Tax expenses include current and deferred tax.

Current period tax is measured and accounted at the amount expected to be paid to Indian tax authorities in accordance with the provisions of Income Tax Act, 1961.

Deferred income tax reflects the effect of 'timing difference' between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured at the tax rates applicable for the relevant financial year as it stands at the time of finalization of the accounts.

L. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to the equity share holders by the weighted average number of equity shares outstanding during the period.

For the purposes of calculating diluted earnings per share, the net profit or loss for the period and weighted average number of equity shares are adjusted for the effects of all dilutive potential equity shares.

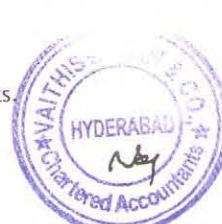
M. Provisions, Contingent liabilities and Contingent assets

A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of economic benefits will be required to settle the obligation and in respect of which a reliable estimate is made.

Provisions are measured based on best judgment estimates of the management having regard to the prevailing conditions. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

N. Cash and Cash equivalents

Cash equivalents includes short term highly liquid investments.



TRIDENT MICROFIN PRIVATE LIMITED

Regd Office: 11-8-15, MIG 33, Shree Sai Arcade, Saroor Nagar, Hyderabad - 500035.

Notes to Financial Statements & Significant Accounting Policies for the Year ended 31st March 2013

O. Loan portfolio - Classification, provisioning and write off

The loan portfolio is classified as standard, sub-standard, doubtful or loss assets as per the directions issued by The Reserve Bank of India (RBI) for Non-Banking Financial (Non-Deposit Accepting or Holding) companies prudential norms (Reserve Bank) Directions, 2007.

Provisioning for standard assets is maintained at 0.25% of the portfolio (as has been prescribed by The Reserve Bank Of India vide its circular DNBS.223/ CGM (US)-2011, dated 17-01-2011) and in respect of other class of assets provisioning is as per the above directions of Reserve Bank of India vide its circular DBOD.BP.BC. 83 / 21.01.002/2008-09 dated 15th November 2008 titled Review of Prudential Norms - Provisioning for Standard Assets and Risk Weights for Exposures to Corporates, Commercial Real Estate and NBFC-ND-SI.

Loan assets are written off as per above directions issued by The Reserve Bank of India (RBI) for Non-Banking Financial (Non-Deposit Accepting or Holding) companies prudential norms (Reserve Bank) Directions, 2007.

Under following circumstances, loans are written off:

- In case of extra-ordinary circumstances such as death of a customer or her/his spouse who is not insured, who is over-aged and in whose case the claim is rejected by the insurance Company for any other reason and / or any other incident where in the opinion of the management amount is not recoverable.
- Where at the time of loan closure, a short collection of a few rupees occurs and in the opinion of the management, the cost of collection for such small amount is disproportionate to the expected benefit.
- All the loss assets as identified in terms of Directions issued by Non Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

Rescheduling loans:

Under exceptional circumstances like force majeure etc, the Company may reschedule the repayment schedule of the loans extended by it to specific centers / groups / individuals who have defaulted in the repayment, but who appear to be willing and capable of repaying their dues along with interest thereon as per the revised schedule.

P. Balance Confirmation:

As part of year end financial reporting and closure process, requests for confirmation of balances are sent to various parties including banks, financial Institutions, Insurance companies etc. for confirming the year end balances / other details on a sample basis. It is not practically feasible to obtain confirmations of end balances from the borrowers in view of the inherent nature of microfinance business. In respect of Andhra Pradesh state, where 85% of the operations of the Company are situated, the prevailing MFI law prohibits MFI staff from approaching the clients at their (clients') residences / neighbourhood. Hence, it is not practical to obtain the balance confirmations from them.

With respect to the cases where the confirmations and responses were received, reconciliations have been performed based on the information made available and necessary adjustments have been carried out in the financial statements.

With respect to the cases where the balances were not confirmed by the parties, necessary adjustments have been carried out in the financial statements based on the information available with the Company.



TRIDENT MICROFIN PRIVATE LIMITED

Regd Office: 11-8-15, MIG 33, Shree Sai Arcade, Saroor Nagar, Hyderabad - 500035.

Notes to Financial Statements & Significant Accounting Policies for the Year ended 31st March 2013

NOTE 2

(Amounts in INR)

<u>Share Capital</u>	For the year ended 31st March 2013	For the year ended 31st March 2012
	Amount	Amount
<u>Authorised</u>		
a. 0.001% 35,000,000 Optionally Convertible Cumulative redeemable Preference Shares of Rs.10/- each.	350,000,000	350,000,000
b. 48,000,000 Equity Shares of Rs.10/- each.	480,000,000	480,000,000
<u>Issued, Subscribed & Paid up</u>		
a. 0.001% 33,451,136 Optionally Convertible Cumulative redeemable Preference Shares of Rs.10/- each.	334,511,360	334,511,360
b. 47,446,425 Equity Shares of Rs.10/- each.	474,464,250	469,784,250
Total	808,975,610	804,295,610

NOTE 2 A

In respect of 0.001% Optionally Convertible Cumulative Redeemable Preference Shares of Company.

Particulars	For the year ended 31st March 2013		For the year ended 31st March 2012	
	Number	Amount in Rs	Number	Amount in Rs
Shares outstanding at the beginning of the year	33,451,136	334,511,360	-	-
Add: Shares Issued during the year	-	-	33,451,136	334,511,360
Less: Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	33,451,136	334,511,360	33,451,136	334,511,360

In respect of Equity Shares of Company

Particulars	For the year ended 31st March 2013		For the year ended 31st March 2012	
	Number	Amount in Rs	Number	Amount in Rs
Shares outstanding at the beginning of the year	46,978,425	469,784,250	13,057,289	130,572,890
Add: Shares Issued during the year	468,000	4,680,000	33,921,136	339,211,360
Less: Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	47,446,425	474,464,250	46,978,425	469,784,250



TRIDENT MICROFIN PRIVATE LIMITED

Regd Office: 11-8-15, MIG 33, Shree Sai Arcade, Saroor Nagar, Hyderabad - 500035.

Notes to Financial Statements & Significant Accounting Policies for the Year ended 31st March 2013

NOTE 2 B

In respect of 0.001% Optionally Convertible Cumulative Redeemable Preference Shares of Company holding more than 5% share

SR NO	Name of Shareholder	For the year ended 31st March 2013		For the year ended 31st March 2012	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
1	Indian Overseas Bank	6,452,137	19.29%	6,452,137	19.29%
2	Bank of India	2,500,000	7.47%	2,500,000	7.47%
3	State Bank of Travancore	2,500,000	7.47%	2,500,000	7.47%
4	State Bank of India	2,279,033	6.81%	2,279,033	6.81%
5	Maanaveeya Development and Finance Private Limited	2,000,000	5.98%	2,000,000	5.98%
6	Axis Bank Limited	1,954,206	5.84%	1,954,206	5.84%
7	Union Bank of India	1,922,386	5.75%	1,922,386	5.75%
8	Small Industries Development Bank of India	1,871,437	5.59%	1,871,437	5.59%
9	Central Bank of India	1,815,975	5.43%	1,815,975	5.43%
	Total	23,295,174	69.64%	23,295,174	69.64%

In respect of Equity Shares of Company holding more than 5% share

SR NO	Name of Shareholder	For the year ended 31st March 2013		For the year ended 31st March 2012	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
1	Bellweather Microfinance Fund P Ltd	-	0.00%	4,186,141	8.91%
2	India Financial Inclusion Fund	4,783,476	10.08%	4,315,476	9.19%
3	Indian Overseas Bank	6,452,137	13.60%	6,452,137	13.73%
4	State Bank of Travancore	2,500,000	5.27%	2,500,000	5.32%
5	Bank of India	2,490,000	5.25%	2,490,000	5.30%
6	Sage Seva Society	5,501,741	11.60%	-	0.00%
	Total	21,727,354	45.79%	19,943,754	42.45%



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Notes to Financial Statements & Significant Accounting Policies for the Year ended 31st March 2013

2 C During the Financial year 2011-12 the company entered in Debt Restructuring Agreement with its various lenders as the operations of the company had come under strain due to various external reasons. As the result of such agreement the Term Loans of the Company amounting to Rs. 668,922,720/- were converted into 33,441,136 Equity Share of Rs.10/- each & 33,451,136 0.001% Optionally Convertible Cumulative Redeemable Preference Shares of Rs. 10/- each during the year 2011-12.

2 D Maturity profile and rate of dividend on the Optionally Convertible Cumulative Redeemable Preference Shares are as set out Below.

(Amount in INR)

Rate of Dividend	FY 2013 - 14	FY 2014 - 15	FY 2015 - 16	On and after FY 2016 - 17	Total
0.001% #	16,725,568	33,451,136	50,176,704	234,157,952	334,511,360

Overall yield on redemption to be 12%



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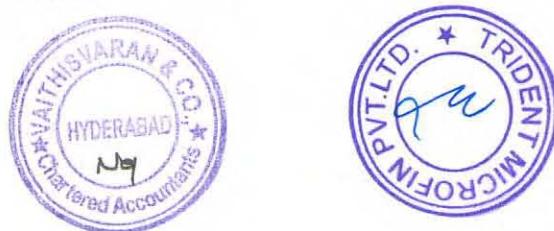
Notes to Financial Statements & Significant Accounting Policies for the Year ended 31st March 2013

NOTE 3: Reserves and Surplus

Reserves & Surplus	(Amounts in INR)	
	For the year ended 31st March 2013	For the year ended 31st March 2012
	Amount	Amount
a. Securities Premium Account		
Opening Balance	117,186,830	117,186,830
Add : Securities premium credited on Share issue	-	-
Less : Premium Utilised for various reasons	-	-
Premium on Redemption of Debentures	-	-
For Issuing Bonus Shares	117,186,830	117,186,830
Closing Balance		
b. Statutory Reserves. (created under section 45IC of RBI Act, 1934)		
Opening Balance	10,004,042	10,004,042
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	10,004,042	10,004,042
Closing Balance		
c. Surplus		
Opening balance	-147,985,404	-18,777,706
(+) Net Profit/ (Net Loss) For the current year.	-1,129,147,041	-129,207,698
(-) Transfer to Reserves.		1,839,569
(-) Misc Exp to the Extent not written Off	-1,277,132,445	-149,824,973
Closing Balance		
Total	-1,149,941,573	-22,634,101

3 A Transfer to statutory reserve to be made at 20% of the current year profits after tax as per provision of Section 45IC of the Reserve Bank of India Act, 1934. No such provision done during the year due to insufficiency of profits.

3 B The company has not made the provision for Dividend for Optionally Convertible Cumulative Redeemable Preference Shares during the year due to insufficient Profits & Reserves.



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Notes to Financial Statements & Significant Accounting Policies for the Year ended 31st March 2013

NOTE 4: Long Term Borrowings

(Amounts in INR)

<u>Long Term Borrowings</u>	For the year ended 31st March 2013	For the year ended 31st March 2012
	Amount	Amount
Secured		
(a) Term loans		
from Banks		
Less: Current Maturities	583,075,894	601,914,175
Long Term Borrowing From Banks - A	74,640,348	11,800,000
from Other Parties		
Less: Current Maturities	508,435,546	590,114,175
Long Term Borrowing From Other Parties - B	66,166,669	66,166,669
7,278,334		-
	58,888,335	66,166,669
(b) Funded Interest Term loans		
from Banks		
Less: Current Maturities	138,704,621	61,200,589
Long Term Borrowing From Banks - C	23,117,437	-
from Other Parties		
from Other Parties		
Less: Current Maturities	115,587,184	61,200,589
Long Term Borrowing From Other Parties - D	14,323,416	7,165,578
2,387,236		-
	11,936,180	7,165,578
TOTAL (A + B + C + D)	694,847,245	724,647,011
In case of continuing default as on the balance sheet date in repayment of loans and interest with respect to (a) & (b)		
1. Period of default		-
2. Amount		-
Unsecured		
(a) Term loans		
from Other parties		
In case of continuing default as on the balance sheet date in repayment of loans and interest with respect to (a) & (b)		
1. Period of default		-
2. Amount		-
Total	694,847,245	724,647,011

- 4 A All secured term loans are secured with the hypothecation of the book debts in favour of the respective lender. Such earmarked book debts are refreshed for a fresh list of book debts for each such bank or FI on a quarterly basis, to make good the erosion in book value of member loan receivables due to shorter cycle of the member loan compared to the term loan.



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Notes to Financial Statements & Significant Accounting Policies for the Year ended 31st March 2013

The directors have not given their personal guarantee for any of the term loans.

The company has been sanctioned restructuring of its term loans under Corporate Debt Restructuring (CDR) program. The Indian Overseas Bank, who have largest exposure to the company are designated as the monitoring Institution. The restructuring package was approved with effect from 01st April 2011. As per the terms of the CDR:

- a. 25% of the debt (from all participating banks) is converted into equity.
- b. 25% of the debt (from all participating banks) is converted into Optionally Convertible Cumulative Redeemable Preference Shares(Optionally Convertible Cumulative Redeemable Preference Shares)
- c. Remaining 50% of the debt is repaid within a period of 8 years including a moratorium period of 2 years. The earliest repayment start date is 30th June 2013.
- d. Interest on Term Loan is to be serviced after moratorium period of 2 years.
- e. Redemption of Preference Share Capital are as mentioned on Note 1 D, Repayment of Term Loan & FITL Loan are as mentioned in Note 4 B & 4 C.

4 B

Maturity profile and rate of Interest on the Term Loans Secured by hypothecation are as set out Below

(Amounts in INR)

Rate of Interest	FY 2013 - 14	FY 2014 - 15	FY 2015 - 16	On and after FY 2016 - 17	Total
12% linked to Base Rate	70,118,682	86,054,746	114,739,661	366,529,473	637,442,563

4 C

Maturity profile and rate of Interest on the Funded Interest Term Loans Secured by Hypothecation are as set out Below

(Amounts in INR)

Rate of Interest	FY 2013 - 14	FY 2014 - 15	FY 2015 - 16	On and after FY 2016 - 17	Total
12% linked to Base Rate	25,504,673	25,504,673	25,504,673	76,514,019	153,028,038

4 D The entire amount of Long Term Borrowings are from related parties

NOTE 5: Long Term Provisions

(Amounts in INR)

Long Term Provisions	For the year ended 31st March 2013	For the year ended 31st March 2012
	Amount	Amount
(a) Provision for employee benefits Gratuity (Unfunded)	1,556,674	1,454,906
Total	1,556,674	1,454,906

5 A Gratuity (unfunded) represent the Long term Liability of the company towards Gratuity Payments. The provision is based on the actuarial Report.



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Notes to Financial Statements & Significant Accounting Policies for the Year ended 31st March 2013

NOTE 6: Other Current Liabilities

(Amounts in INR)

Other Current Liabilities	For the year ended 31st March 2013	For the year ended 31st March 2012
	Amount	Amount
Secured		
(a) Current maturities of long-term debt		
i) From Banks	97,757,785	11,800,000
ii) Other Parties	9,665,570	
(b) Interest accrued and due on borrowings		
i) From Banks	4,713,446	2,361,595
ii) Other Parties		
Unsecured		
(a) Other payables		
- Security Deposit		2,602,800
- Client Amount Held In Trust	30,787	1,721,310
- Insurance claim - amount received from insurer to be settled to members/ Beneficiaries	489,291	543,636
- Insurance premium Held in Trust pending for payment to Insurance Dept		148,627
- Others	1,778,249	2,370,193
Total	114,435,128	21,548,161

Current Maturities of Long term debt include principal amount payable to Royal Bank of Scotland (RBS) amounting to Rs.11,800,000/- secured against the portfolio of member loan receivables. The said amount is overdue to bank since 31st May 2011. The company is in receipt of one time settlement offer from RBS for Rs.7,672,187 as against the total repayment due of Rs.16,583,428. RBS is the only bank who have not joined the Corporate Debt Restructuring (CDR) package inspiteof the company requesting them to do so. As per the terms of the CDR package, any payments to be made to any non-CDR lender have to be only with the approval of the CDR-Empowered Group. Hence the matter has been referred to the Monitoring Institution (Indian Overseas Bank) for taking a decision.

6 B Interest accrued and due on borrowings include the amount of interest on Funded Interest term Loan payable to lender banks & financial Institutions and overdue interest of Rs. 2,804,902/-payable to Royal Bank of Scotland.

6 C Client amount held in trust is amounts collected in the capacity of collection agent pending remittance to principals

6 D "Others" Includes Statutory dues and Other administrative expenses reimbursable.



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Notes to Financial Statements & Significant Accounting Policies for the Year ended 31st March 2013

NOTE 7: Short Term Provisions

(Amounts in INR)

Short Term Provisions	For the year ended 31st March 2013	For the year ended 31st March 2012
	Amount	Amount
(a) Provision for employee benefits		
Provision for performance pay to employees FY 12-13	1,089,947	-
Gratuity (Unfunded)	86,576	55,886
Bonus to Employees	104,642	121,486
(b) Other Provisions		
Provision for expenses	1,320,247	160,252
Total	2,601,412	337,624

7 A Provision for performance pay to employees for Rs.10,89,947 provided is subject to certain outcomes. As it a likely event the amount has been provided for.

Gratuity (unfunded) represents the short term Liability of the company towards Gratuity Payments, based on the actuarial Report.



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Notes to Financial Statements & Significant Accounting Policies for the Year ended 31st March 2013

NOTE B : Depreciation Schedule and Fixed Asset Schedule as on 31st March 2013

Fixed Assets	Gross Block			Accumulated Depreciation			Net Block
	As at 01.04.2012		As at 31.03.2013	As at 01.04.2012	For the year	On disposals	
	Amount	Additions/ (Disposals)	Amount	Amount	Amount	Amount	
Tangible Assets							
Furniture and Fixtures	8,935,015	-603,670	8,331,345	5,196,927	710,525	589,767	3,013,660
Computers & Peripherals	6,952,679	49,000	7,001,679	4,761,859	879,925	-	1,359,895
Vehicles	1,673,927	-	1,673,927	827,796	219,063	-	627,068
Office Equipments & Electrical Items	3,166,616	-52,774	3,113,842	1,392,657	283,044	-80,999	1,519,140
Total	20,728,237	-607,444	20,120,793	12,179,239	2,092,557	-670,766	8,548,998
Intangible Assets							
Goodwill	6,467,803	-	6,467,803	4,527,463	1,940,340	6,467,803	1,940,340
Computer software	6,186,085	-	6,186,085	3,858,367	931,087	4,789,454	2,327,718
Total	42,653,888	-	42,653,888	38,385,830	2,871,427	41,257,257	4,268,058
Capital Work In Progress							
Total	-	-	-	-	-	-	-
Intangible assets under Development							
Total	-	-	-	-	-	-	-
Grand Total	63,382,125	-607,444	62,774,681	50,565,069	4,963,984	-670,766	7,916,394
							12,817,056



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Notes to Financial Statements & Significant Accounting Policies for the Year ended 31st March 2013

NOTE 9: Non Current Investments

(Amounts in INR)

Non Current Investments	For the year ended 31st March 2013		For the year ended 31st March 2012	
	Amount	Amount	Amount	Amount
A. Trade Investments.				
Total (A)				
B. Other Investments				
(a) Equity instruments of Other Companies				
Unquoted, Fully Paid Up				
50000 Alpha Microfinance Consultants Private Limited of Rs.10/- each	500,000		500,000	
(earlier Alpha Foundation Private Limited)	500,000		500,000	
Total (A + B)				
Less : Provision for diminution in the value of Investments				
Total	500,000		500,000	

Particulars	For the year ended 31st March 2013		For the year ended 31st March 2012	
	Amount	Amount	Amount	Amount
Aggregate amount of quoted investments (Market value of ' ___)				
(Previous Year ' ___)	500,000		500,000	
Aggregate amount of unquoted investments.				

NOTE 10: Long Term Loans & Advances

(Amounts in INR)

Long Term Loans & Advances	For the year ended 31st March 2013		For the year ended 31st March 2012	
	Amount	Amount	Amount	Amount
<u>Unsecured and considered good</u>				
a. Advance to Trident Employee Benefit Trust	18,000,000		18,005,000	
Less: Provision on Trident Employee Benefit Trust	18,000,000		-	
Net Unprovided Advance to Trident Benefit Trust	-		18,005,000	
b. Deposits	652,900		722,081	
c. Advances with Insurance Companies	234,939		481,290	
Total	887,839		19,208,371	

10 A Advance made to Trident Employee Benefit Trust was towards funding the trust for it to procure shares in the company (Trident Microfin P Ltd) for onward issuance under proposed ESOP program of the company. ESOP program is not yet announced by the company and no shares are allocated under ESOP as and by the Trust. This amount is realisable only after subscription of shares by employees under ESOP as and when announced. As the scope of realisation of shares in the company by the Trust through ESOP or otherwise liquidation of shares by the Trust to repay the advance to the company is a remote possibility the entire amount of advance has been provided for.

10 B Deposits include Rent Deposit of Rs.652,900.



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Notes to Financial Statements & Significant Accounting Policies for the Year ended 31st March 2013

NOTE 11: Cash and Bank Balances

(Amounts in INR)

Cash and Bank Balances	For the year ended 31st March 2013	For the year ended 31st March 2012
	Amount	Amount
a. Cash and cash equivalents		
- Balances with banks	22,841,371	55,966,110
- Cash on hand	32,553	346,169
- Fixed Deposits with banks and Interest accrued there on	-	2,645,273
- Short Term Liquid Investments	238,188,246	253,424,468
Total Cash and Cash Equivalents	261,062,170	312,382,019
b. Balances with banks to the extent held as margin money or security against the borrowings, guarantees.	2,213,505	6,426,925
Total	263,275,675	318,808,944

NOTE 12: Short-term Loans and Advances

(Amounts in INR)

Short-term loans and advances	For the year ended 31st March 2013	For the year ended 31st March 2012
	Amount	Amount
<u>Secured, considered good</u>		
a. Loan to educational institutions.	1,281,336	2,449,165
<u>Unsecured, considered good</u>		
a. Loan to women groups, farmers and other individuals.	1,284,836,607	1,218,551,256
Gross Portfolio	1,299,762,172	
Less: Portfolio Sold to ICICI Bank Ltd under buyout program	14,925,565	
b. Staff Loans - Personal loan and vehicle loan	34,685	108,316
Total	1,286,152,628	1,221,108,737

Provision for Bad & Doubtful Debts	For the year ended 31st March 2013	For the year ended 31st March 2012
	Amount	Amount
a. Contingent Provision against standard assets @ 0.25% (Prev Year 0.75%)	420,116	9,706,862
b. Provision for bad and doubtful debts - on the sub standard and doubtful assets	1,087,233,270	111,211,486
Total	1,087,653,386	120,918,348



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Notes to Financial Statements & Significant Accounting Policies for the Year ended 31st March 2013

12 A. Product wise classification of loans outstanding as at 31st March 2013

S.No	Product Name	No of loan accounts	Outstanding Amount (Rs.)	Percentage to portfolio
1	AGRI ALLIED GROUP LOANS	1,517	18,737,396	1.46%
2	CROP LOANS TO FARMER GROUP	7,326	84,550,548	6.57%
3	GROUP LOANS TO WOMEN	106,892	674,614,033	52.45%
4	INDIVIDUAL MICRO ENTERPRISE GROUP LOANS	342	5,569,477	0.43%
5	INDIVIDUAL MICRO ENTERPRISE LOANS	143	2,659,272	0.21%
6	Loan To Educational Institutions	10	1,281,336	0.10%
7	MONTHLY GROUP LOANS TO WOMEN	66,822	469,198,592	36.48%
8	Personal Loans To Staff	4	27,600	0.00%
9	TOP-UP LOANS	20,036	29,507,289	2.29%
10	Vehicle Loans To Staff	1	7,085	0.00%
Total		203,093	1,286,152,628	100.00%

12 B. Portfolio at Risk (excluding death marked cases*) - Unsecured loans

S.No	Ageing Analysis (number of days)	Number of Loans	Overdue Amount (Rs.)	Portfolio at Risk (Rs.)	Percentage to total outstanding	Amount of Provisioning done
1	0-30	22,461	5,401	166,802,065	12.97%	417,005
2	31-60	10	12,355	72,030	0.01%	180
3	61-90	-	-	-	0.00%	-
4	91-180	6	11,475	24,904	0.00%	62
4	181-730	9,971	34,169,367	34,169,367	2.66%	3,416,937
5	731 and above	170,635	1,083,802,926	1,083,802,926	84.27%	1,083,802,926
Total		203,083	1,118,001,524	1,284,871,292	99.90%	1,087,637,110

* loans having overdues due to member death have been classified as standard asset which in the opinion of the company will be paid by the insurance companies shortly.

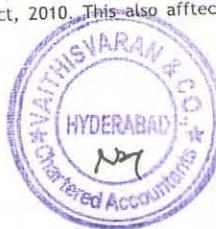
12 C. Portfolio at Risk - Secured Loans

S.No	Ageing Analysis (number of days)	Number of Loans	Overdue Amount (Rs.)	Portfolio at Risk (Rs.)	Percentage to total outstanding	Amount of Provisioning done
1	0-30	8	20,720	1,121,324	0.09%	2,803
2	31-60	1	4,572	25,941	0.00%	65
3	61-90	-	-	-	0.00%	-
4	91-180	-	-	-	0.00%	-
4	181-730	1	134,071	134,071	0.01%	13,407
5	731 and above	-	-	-	0.00%	-
Total		10	159,363	1,281,336	0.10%	16,275

12 C. Portfolio at Risk - Location wise

S.No	Location	Standard Loan (Rs.)	Sub Standard Loan (Rs.)	Doubtful Loans (Rs.)	Percentage of Location to total outstanding	Amount of Provisioning done
1	Andhra Pradesh (A.P)	1,147,265	17,834,378	1,067,878,794	84.50%	1,069,665,100
2	Outside A.P	166,898,999	16,469,060	15,924,132	15.50%	17,988,286
	Total	168,046,264	34,303,438	1,083,802,926	100.00%	1,087,653,386

Recoveries from borrowers in the state of Andhra Pradesh has been severely affected by promulgation of ordinance in October 2010 and later enacted as 'Andhra Pradesh Micro Finance Institutions (Regulation of Money Lending) Act, 2010'. This also affected the recoveries from the



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Notes to Financial Statements & Significant Accounting Policies for the Year ended 31st March 2013

borrowers in the districts bordering the state of Andhra Pradesh. More than 98.5% of the provisioning is towards the worsening portfolio in Andhra Pradesh and bordering districts.

NOTE 13 - Other Current Assets

Other current assets	For the year ended 31st March 2013	For the year ended 31st March 2012
	Amount	Amount
a. Amount with Lender Banks, pending Adjustment under Debt Restructuring arrangements	-	9,511,546
b. Interest Accrued on Short Term Loans and Advances	437,927	3,467,076
c. Amount collected pending remittance from collection agents.	-	29,859,042
d. Balances with Income Tax Dept	891,384	1,202,406
e. Balances with Service Tax Dept	-	37,244
f. Others - including staff advances etc	66,035	64,671
Total	1,395,346	44,141,985



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Notes to Financial Statements & Significant Accounting Policies for the Year ended 31st March 2013

NOTE 14

Revenue from operations	(Amounts in INR)	
	For the year ended 31st March 2013	For the year ended 31st March 2012
	Amount	Amount
(a) Interest; and	27,259,339	65,209,071
(b) Other financial services	2,571,715	2,204,662
(c) Dividend Income	17,435,989	19,421,957
Total	47,267,044	86,835,690

Other Financial services includes Loan Processing Fees and Membership Fees.

NOTE 15

Other Income	(Amounts in INR)	
	For the year ended 31st March 2013	For the year ended 31st March 2012
	Amount	Amount
(a) Other non-operating income	485,090	7,087,720
Total	485,090	7,087,720

Other Non operating Income includes a sum of Rs.3,07,004/- from Profit on sale of assets and other Misc Income.

NOTE 16

Employee Benefits Expense	(Amounts in INR)	
	For the year ended 31st March 2013	For the year ended 31st March 2012
	Amount	Amount
(a) Salaries and incentives	25,057,754	38,782,134
(b) Director's Remuneration	2,804,400	2,804,400
(c) Contributions to -		
(i) Provident fund	1,057,226	1,876,329
(ii) ESI	312,186	640,825
(d) Gratuity Provision	132,458	84,069
(e) Staff welfare expenses	374,623	686,534
Total	29,738,647	44,874,291

16.1 As per Accounting Standard 15 "Employee benefits", the disclosures as defined in the Accounting Standard are given below :

Defined Benefit Plan

The employees' gratuity scheme is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.



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Notes to Financial Statements & Significant Accounting Policies for the Year ended 31st March 2013

A. Reconciliation of opening and closing balances of Defined Benefit Obligation

Details of provision for Gratuity - Change in the present value of the defined benefit obligation are as follows:	As at	
	31st March 2013	31st March 2012
Defined benefit obligation at the beginning of the year	1,510,892	1,426,723
Interest cost	120,871	114,138
Current services cost	126,098	129,501
Benefits paid	Nil	Nil
Actuarial (gains)/losses on obligation	-114,611	-159,470
Defined benefit obligation at the year end	1,643,250	1,510,892
Av Balance Service	30.17 Yrs	30.85 Yrs

B. Expenses recognised during the year

Computation of net employee benefit expense	For the year ended	
	31st March 2013	31st March 2012
Current services cost	126,098	129,501
Interest Cost on benefit obligation	120,871	114,138
Expected return on plan assets	Nil	Nil
Net Actuarial (gain) / Loss recognized in the year	-114,611	-159,470
Past services cost	Nil	Nil
Net Employee Benefit expense	132,358	84,169
Actual return on plan assets	Nil	Nil

C. Actuarial assumptions

Particulars	For the year ended	
	31st March 2013	31st March 2012
Retirement age	60 Yrs	60 Yrs
Mortality Rate (LIC)	1994-96	1994-96
Attrition Rate	8.0%	8.0%
Discount rate (per Annum)	8.0%	8.0%
Expected rate of return on plan assets (per Annum)	8.0%	8.0%
Rate of escalation in Salary (per annum)	7.5%	7.5%

The estimates of rate of escalation in salary considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.

NOTE 17

(Amounts in INR)

Finance costs	For the year ended	
	31st March 2013	31st March 2012
	Amount	Amount
(a) Interest expense	92,900,384	87,479,722
(b) Other Borrowing Costs	1,500,000	757,957
Total	94,400,384	88,237,679



TRIDENT MICROFIN PRIVATE LIMITED

Regd Office: 11-8-15, MIG 33, Shree Sai Arcade, Saroor Nagar, Hyderabad - 500035.

Notes to Financial Statements & Significant Accounting Policies for the Year ended 31st March 2013

NOTE 18

(Amounts in INR)

Other expenses	For the year ended 31st March 2013	For the year ended 31st March 2012
	Amount	Amount
(a) Rent	2,942,035	4,300,680
(b) Travelling Expense & Vehicle Maintenance	5,477,047	7,833,014
(c) Telephone & Internet Charges	1,372,547	2,162,941
(d) Rates & taxes	938,368	3,728,467
(e) Office Maintenance	1,569,849	2,098,545
(f) Legal & Professional Fees	3,501,209	1,808,194
(g) Life Insurance Premium Paid on Behalf of Members	127,720	164,394
(h) Other Administrative Expenses	1,948,584	2,104,154
Total	17,877,358	24,200,389

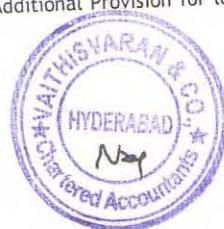
Other Administrative Expenses Include Expenditure incurred towards Printing & Stationary, insurance Expenses, Director Sitting Fees and other Expenses

NOTE 19

(Amounts in INR)

Provisions on Bad and Doubtful loans, loan losses and other assets	For the year ended 31st March 2013	For the year ended 31st March 2012
	Amount	Amount
(a) Provision on standard assets Provision on standard assets @ 0.25% (prev year 0.75%) - Provision in excess of RBI notification rolled back	-9,286,746	-
(b) Write Off Loans Loans written off during the year Less : Amount received from the Portfolio Written Off Earlier Net Write off During the Year	2,000	1,493,304 50,030
(c) Provision on Non Performing Assets Provision for bad and doubtful loans - Sub-Standard Assets Provision for bad and doubtful loans - Doubtful Assets (First Year)	34,303,438 941,718,346	26,804,104 -
Net Provision on Loan Portfolio (a + b + c)	966,737,038	28,247,378
(d) Provision on Other Assets, Loans and Advances Provision for 'Advance to Trident Employee Benefit Trust' - to the extent not realisable - Refer Note 10 and 10A -	18,000,000	-
Total	984,737,038	28,247,378

The provisioning norms as notified by the Reserve Bank of India have been applied for loans as at 31st March 2013. The provisioning norms as notified by the Reserve Bank of India have been applied for loans as at 31st March 2013. Provision for Loan and Gross Non Performing Loans and Advances is Rs.1,118,106,364/- as on 31st March 2013 . Provision for Loan and loan losses for Rs.111,211,486/- were provided in the earlier years. Additional Provision for loan and loan losses for Rs.976,021,784/- is done in current year.



TRIDENT MICROFIN PRIVATE LIMITED

Regd Office: 11-8-15, MIG 33, Shree Sai Arcade, Saroor Nagar, Hyderabad - 500035.

Notes to Financial Statements & Significant Accounting Policies for the Year ended 31st March 2013

NOTE 20

Provision for Deferred Tax Liability / Asset

Deferred tax asset has been computed as per the provisions of the applicable accounting standard 'AS-22 - Accounting for taxes on Income'. The company has been incurring losses continuously since financial year 2010-11. The company has significant accumulated losses and such accumulated losses are in excess of the paid-up share capital. In the present situation the company is unlikely to earn sufficient profits to utilise the tax-benefits in the near future. Hence, deferred tax asset has not been recognised in the financial statements as per the accounting standard.

NOTE 21

Earnings per share

		(Amounts in Rupees)	
S.No	Particulars	As at 31.03.2013	As at 31.03.2012
1	Profit After Tax (Amount in Rupees)	-1,129,147,041	-129,207,698
2	Weighted Average number of equity Shares for Basic earnings	47,288,227	29973666
3	Basic earnings per Share	-23.88	-4.31
4	Weighted Average number of equity Shares for diluted earnings	47,288,227	29985205
5	Diluted earnings per Share	-23.88	-4.31
6	Face value of equity share	10.00	10.00

NOTE 22

Remuneration to Statutory Auditor

		(Amounts in Rupees)	
S.No	Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
1	Audit Fees	400,000	400,000
2	Taxation Matters	91,500	110000
3	Company Law Matters	Nil	Nil
4	Management Services	Nil	Nil
5	Other Services	Nil	3792
6	Reimbursement of Expenses	Nil	
	TOTAL	491,500	513,792

NOTE 23

Remuneration to Managing Director

		(Amounts in Rupees)	
S.No	Particulars	As at 31.03.2013	As at 31.03.2012
1	Salaries	2,804,400	2,804,400
2	Incentives Payable 2012 - 2013	233,700	-
	TOTAL	3,038,100	2,804,400



TRIDENT MICROFIN PRIVATE LIMITED

Regd Office: 11-8-15, MIG 33, Shree Sai Arcade, Saroor Nagar, Hyderabad - 500035.

Notes to Financial Statements & Significant Accounting Policies for the Year ended 31st March 2013

NOTE 24

Names of Related Parties / Related Party Transaction

Names of Related Parties

S.No	Particulars	Details
1	Equity holding substantial interest	1. Indian Overseas Bank 2. India Financial Inclusion Fund 3. Bellwether Microfinance Fund Pvt Ltd. 4. Small Industries Development Bank of India 5. HDFC Bank Limited 6. Axis Bank Limited 7. Union Bank of India 8. Karnataka Bank Limited 9. State Bank Of Mauritius Limited 10. Development Credit Bank Limited 11. Ing Vysya Bank Limited 12. State Bank Of Mysore 13. United Bank Of India 14. Corporation Bank 15. IDBI Bank Limited 16. Bank Of India 17. ICICI Bank Limited 18. State Bank of India 19. Central Bank Of India 20. Lakhmi Vilas Bank Limited 21. State Bank Of Travancore 22. Maanaveeya Development and Finance Private 23. Ananya Finance for Inclusive Growth Pvt. Ltd. 24. Trident Employee Benefit Trust
2	Key Management Personnel	1. Kishore Kumar Puli, Managing Director
3	Relatives of Key Management Personnel	-NIL-



TRIDENT MICROFIN PRIVATE LIMITED

Regd Office: 11-8-15, MIG 33, Shree Sai Arcade, Saroor Nagar, Hyderabad - 500035.

Notes to Financial Statements & Significant Accounting Policies for the Year ended 31st March 2013

Related party transactions

S.No	Nature of transaction	Amount In Rs	Related Party
1	Remuneration	3,038,100	Kishore Kumar Puli - Managing Director
2	Term Loan & FITL Outstanding	46,850,294	Axis Bank Limited
3	Interest On Loan Paid	674,926	Axis Bank Limited
4	Interest on Funded Interest Term Loan Payable	131,645	Axis Bank Limited
5	Term Loan & FITL Outstanding	58,476,126	Bank Of India
6	Interest On Loan Paid	877,291	Bank Of India
7	Interest on Funded Interest Term Loan Payable	113,368	Bank Of India
8	Term Loan & FITL Outstanding	43,007,193	Central Bank Of India
9	Interest On Loan Paid	647,560	Central Bank Of India
10	Interest on Funded Interest Term Loan Payable	101,908	Central Bank Of India
11	Term Loan & FITL Outstanding	11,508,665	Corporation Bank
12	Interest On Loan Paid	168,979	Corporation Bank
13	Interest on Funded Interest Term Loan Payable	36,789	Corporation Bank
14	Term Loan & FITL Outstanding	4,747,009	Development Credit Bank Limited
15	Interest On Loan Paid	71,538	Development Credit Bank Limited
16	Interest on Funded Interest Term Loan Payable	9,040	Development Credit Bank Limited
17	Term Loan & FITL Outstanding	26,601,876	HDFC Bank Limited
18	Interest On Loan Paid	449,664	HDFC Bank Limited
19	Fixed Deposits & Interest Accrued there on	2,213,505	HDFC Bank Limited
20	Interest on Funded Interest Term Loan Payable	32,268	HDFC Bank Limited
21	Term Loan & FITL Outstanding	18,720,831	ICICI Bank Limited
22	Management of Soldout Portfolio	14,925,565	ICICI Bank Limited
23	Interest On Loan Paid	325,323	ICICI Bank Limited
24	Term Loan & FITL Outstanding	18,403,417	IDBI Bank Limited
25	Interest On Loan Paid	246,352	IDBI Bank Limited
26	Interest on Funded Interest Term Loan Payable	93,787	IDBI Bank Limited
27	Term Loan & FITL Outstanding	152,722,463	Indian Overseas Bank
28	Interest On Loan Paid	2,570,186	Indian Overseas Bank
29	CDR Monitoring Fees.	1,508,658	Indian Overseas Bank
30	Interest on Funded Interest Term Loan Payable	194,094	Indian Overseas Bank
31	Term Loan & FITL Outstanding	6,405,103	Ing Vysya Bank Limited
32	Interest On Loan Paid	92,639	Ing Vysya Bank Limited
33	Interest on Funded Interest Term Loan Payable	32,620	Ing Vysya Bank Limited
34	Term Loan & FITL Outstanding	12,629,486	Karnataka Bank Limited
35	Interest On Loan Paid	139,609	Karnataka Bank Limited
36	Interest on Funded Interest Term Loan Payable	36,459	Karnataka Bank Limited
37	Term Loan & FITL Outstanding	21,778,537	Lakhmi Vilas Bank Limited
38	Interest On Loan Paid	318,186	Lakhmi Vilas Bank Limited
39	Interest on Funded Interest Term Loan Payable	42,300	Lakhmi Vilas Bank Limited
40	Term Loan & FITL Outstanding	48,663,672	Maanaveeya Development and Finance Private Limited



TRIDENT MICROFIN PRIVATE LIMITED

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Notes to Financial Statements & Significant Accounting Policies for the Year ended 31st March 2013

41	Interest On Loan Paid	716,089	Maanaveeya Development and Finance Private Limited
42	Term Loan & FITL Outstanding	43,982,315	Small Industries Development Bank of India
43	Interest On Loan Paid	772,246	Small Industries Development Bank of India
44	Interest on Funded Interest Term Loan Payable	143,773	Small Industries Development Bank of India
45	Term Loan & FITL Outstanding	52,449,120	State Bank of India
46	Interest On Loan Paid	778,274	State Bank of India
47	Interest on Funded Interest Term Loan Payable	103,192	State Bank of India
48	Term Loan & FITL Outstanding	39,575,915	State Bank Of Mauritius Limited
49	Interest On Loan Paid	612,675	State Bank Of Mauritius Limited
50	Interest on Funded Interest Term Loan Payable	126,734	State Bank Of Mauritius Limited
51	Term Loan & FITL Outstanding	33,177,512	State Bank Of Mysore
52	Interest On Loan Paid	482,302	State Bank Of Mysore
53	Term Loan & FITL Outstanding	59,251,300	State Bank Of Travancore
54	Interest On Loan Paid	880,731	State Bank Of Travancore
55	Interest on Funded Interest Term Loan Payable	110,183	State Bank Of Travancore
56	Term Loan & FITL Outstanding	44,455,475	Union Bank of India
57	Interest On Loan Paid	713,761	Union Bank of India
58	Interest on Funded Interest Term Loan Payable	280,212	Union Bank of India
59	Term Loan & FITL Outstanding	15,237,878	United Bank Of India
60	Interest On Loan Paid	239,164	United Bank Of India
61	Term Loan & FITL Outstanding	31,826,413	Ananya Finance for Inclusive Growth Pvt. Ltd.
62	Interest On Loan Paid	495,467	Ananya Finance for Inclusive Growth Pvt. Ltd.
63	Equity Share Allotments (4,68,000 shares of Rs.10 each)	4,680,000	India Financial Inclusion Fund
64	Loan and Advances	18,000,000	Trident Benefit Trust

Relationship between parties has been relied upon by auditors based on declaration by the management.

NOTE 25

Earnings and Expenditure in foreign exchange

During the year earnings and expenditure in foreign exchange are 'NIL'.



TRIDENT MICROFIN PRIVATE LIMITED

Regd Office: 11-8-15, MIG 33, Shree Sai Arcade, Saroor Nagar, Hyderabad - 500035.

Notes to Financial Statements & Significant Accounting Policies for the Year ended 31st March 2013

NOTE 26
Dues to Micro, Small and Medium Enterprises

Under Micro, Small and Medium Enterprise Developments Act, 2006 certain disclosure are required to be made relating to Micro and small enterprises. The company has taken necessary steps to seek relevant information from its suppliers about the coverage under the Act. According to information available with the management, no amounts are outstanding pertaining to covered Creditors for the period more than 45 days.

On the basis of the information and records available with the management, the following disclosures are made for the amount due to Micro, Small and Medium enterprises, who have registered with the competent authorities

(Amount in Rupees)

Particulars	For the year ended 31st March 2013	For the year ended 31st March 2012
	Amount	Amount
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;		
The amount of interest paid by the Company along with the amounts of the payment made to the supplier beyond the appointed day during the year;		
The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;		
The amount of interest accrued and remaining unpaid at the end of the year		
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.		

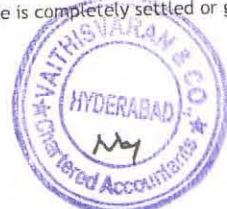
NOTE 27
Contingent liabilities and commitments (to the extent not provided for)

(Amounts in INR)

Contingent liabilities and commitments (to the extent not provided for)	For the year ended 31st March 2013	For the year ended 31st March 2012
	Amount	Amount
(i) Contingent Liabilities		
- a. On account of Sale of portfolio under bilateral program	3,213,463	6,426,925
- b. On account of service tax demand received	6,762,898	6,762,898
	9,976,361	9,976,361
Total	9,976,361	6,426,925

The company has been engaged to act as Collection Agent for the portfolio of loans sold by the company. As per the terms of the sale agreement the company have provided guarantee and is liable to the extent as shown in case of the unfortunate event of loan / receivables in the portfolio becoming further bad and principal enforcing the guarantee

The company has got a favourable order from Commissioner (Appeals) - Hyderabad on the above service tax demand. The department may prefer appeal with higher authorities. Hence the contingent liability is continued till such time the issue is completely settled or gets time barred for appeal.



TRIDENT MICROFIN PRIVATE LIMITED

Regd Office: 11-8-15, MIG 33, Shree Sai Arcade, Saroor Nagar, Hyderabad - 500035.

Notes to Financial Statements & Significant Accounting Policies for the Year ended 31st March 2013

NOTE 28

Capital to Risk Assets Ratio (CRAR), Real estate exposure and Maturity pattern of assets and liabilities:

a. The Capital to Risk Assets Ratio of the company as at 31st March 2013 as per the provisions in Non-Banking Financial (Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 vide notification DNBS 192/DG(VL) - 2007 dated 22-02-2007 is as below:

Tier I capital -

Particulars	Amount
a. Share Capital	474,464,250
b. Share Premium	117,186,830
c. General Reserve	-1,277,132,445
Sub Total - A	-685,481,365
a. Intangible Assets	1,396,631
b. Investment in other NBFCs	500,000
c. Deferred Tax Asset	1,896,631
Sub Total - B	-687,377,996
Tier I Capital (A - B)	-687,377,996

Tier II capital -

Particulars	Amount
a. Preference Shares Other than those compulsorily convertible into Equity	334,511,360
Tier II Capital	334,511,360

Risk Assets

Asset	Book Value as at 31.03.2013	Risk Weight	Product
a. Shares in companies	500,000	0*	-
b. Loan to members+	198,464,557	100	198,464,557
c. Other Current Assets#	1,395,346	100	1,395,346
d. Fixed Assets	6,519,763	100	6,519,763
e. Contingent liability to the extent not covered by cash collateral	9,976,361	100	9,976,361
Weight Adjusted Risk Assets	216,856,027		216,356,027

*Since investment in other company is already deducted from Net owned funds the weight assigned is 'Zero' as per Note 2 to the RBI circular.

+Loan to members excludes staff loans and is adjusted by provision for bad and doubtful debts.

Deferred Tax Asset has been included as adjusted from capital and hence removed from Other Current Assets.

CRAR - Capital / Weight Adjusted Risk Assets - 0.00%

CRAR ratios as per RBI format are as below:

Items	Current year - 2013	Previous Year - 2012
CRAR	0.00%	60.19%
CRAR - Tier I capital %	0.00%	31.34%
CRAR - Tier II capital %	0.00%	28.85%



TRIDENT MICROFIN PRIVATE LIMITED

Regd Office: 11-8-15, MIG 33, Shree Sai Arcade, Saroor Nagar, Hyderabad - 500035.

Notes to Financial Statements & Significant Accounting Policies for the Year ended 31st March 2013

b. Real Estate Exposure: The exposure to real estate, direct or indirect, as on 31st March 2013 is as below:
 (amount in Rs.)

Category		Current Year	Previous Year
I)	Direct Exposure	NIL	NIL
i)	Residential Mortgage		
ii)	Commercial Mortgage		
iii)	Investment in Mortgage backed securities and other securitized exposures		
	a) Residential b) Commercial		
II)	Indirect Exposure	NIL	NIL

c. Maturity Pattern of Assets and Liabilities as at 31st March 2013 as per RBI format is as below:

PARTICULARS	Amount in Lakhs								
	1 to 30 days	31 to 60 days	61 to 90 days	91 to 180 days	180 days to 1 year	1 to 3 years	4 to 5 years	Over 5 years	TOTAL
LIABILITIES									
Borrowing from banks*	165.13	0	239.06	239.06	478.12	2518.04	3027.99	1402.44	8069.84
Market Borrowings	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
ASSETS									
Advances	219.14	233.21	189.73	548.27	485.54	4.84	0	11180.49	12861.52
Investments	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

* Includes borrowings from financial institutions

NOTE 29
Loss On Default Guarantee

As per the terms of the sale of portfolio to ICICI Bank under buyout facility extended by the bank, the Company had offered Corporate Guarantee by way of term deposits towards First Loss Default Guarantee (FLDG). With the non recovery of the loans from the underlying contracts, the FLDG amount along with the interest accrued there on aggregating to Rs.67,76,127/- has been adjusted by the bank.

NOTE 30
Prior Period Adjustments

The Prior period items includes reversal of provision of Income Tax of previous years of Rs.389,642.

NOTE 31

Previous years figures have been regrouped and reclassified wherever necessary to match with current year grouping and classifications

As per our report of even date

For Vaithisvaran & Co.,
Chartered Accountants

G. Nagaraju
Partner

M.No: 209048

Firm Regn No: 44945

Place: Hyderabad

Date: 22nd April 2013



For and on behalf of the Board

Rahul Jakatdar

Director

Rimpa Sarkar

Company Secretary



P Kishore Kumar

Managing Director



Annexure to Balance Sheet as at 31.03.2013 of Trident Microfin Private Limited(COR: B-06.00409)
Note "32" to the Balance Sheet of a non-deposit taking non-banking financial company
(as required in terms of paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank Directions, 2007)

(Amount in Lakhs)					
Particulars					
<u>Liabilities side:</u>					
(1) Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:			<u>Amount out-standing</u>		
	(a) Debentures: Secured : Unsecured (other than falling withing the meaning of publice deposits*)	Nil Nil			
	(b) Deferred Credits	Nil	14604902.08		
	(c) Term Loans	806,984,046	(the above amount includes interest of Rs.2,804,902 as overdue interest; whereas this amount is Rs.5,034,494 as per confirmation by bank)		
	(d) Inter-corporate loans and borrowing	Nil			
	(e) Commercial Paper	Nil			
	(f) Other Loans (specify nature) - Car loan	Nil			
* Please see note 1 below					
<u>Assets side:</u>		<u>Amount outstanding</u>			
(2) Break-up of Loans and Advances including bills receivables (other than those included in (4) below):					
	(a) Secured (b) Unsecured		1,281,336 1,284,871,292		
(3) Break up of Leased Assets and stock on hire and other assets counting towards AFC activities					
	(i) Lease assets including lease rentals under sundry debtors:				
	(a) Financial lease (b) Operating lease				
	(ii) Stock on hire including hire charges under sundry debtors:				
	(a) Assets on hire (b) Repossessed Assets				
	(iii) Other loans counting towards AFC activities				
	(a) Loans where assets have been repossessed (b) Loans other than (a) above				
4	<u>Break-up of Investments:</u>				
<u>Current Investments:</u>					
1. <u>Quoted:</u>					
(i) Shares: (a) Equity (b) Preference					
(ii) Debentures and Bonds					
(iii) Units of mutual funds					
(iv) Government Securities					
(v) Others (please specify)					
2. <u>Unquoted</u>					
(i) Shares: (a) Equity (b) Preference					
(ii) Debentures and Bonds					
(iii) Units of mutual funds					
(iv) Government Securities					
(v) Others (please specify)					
<u>Long Term investments:</u>					
1. <u>Quoted:</u>					
(i) Shares: (a) Equity (b) Preference					
(ii) Debentures and Bonds					
(iii) Units of mutual funds					
(iv) Government Securities					
(v) Others (please specify)					



Annexure to Balance Sheet as at 31.03.2013 of Trident Microfin Private Limited(COR: B-06.00409)
 Note "32" to the Balance Sheet of a non-deposit taking non-banking financial company
 (as required in terms of paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential
 Norms (Reserve Bank Directions, 2007)

(Amount in Lakhs)

Particulars				
	2. Unquoted			
	(i) Shares: (a) Equity (b) Preference (ii) Debentures and Bonds (iii) Units of mutual funds (iv) Government Securities (v) Others (please specify)	500,000.00 Investment in NBFC		
(5)	Borrower group-wise classification of assets financed as in (2) and (3) above: Please see note 2 below			
		Amount net of Provisions		
	Category	Secured	Unsecured	Total
	1. Related Parties **			NIL
	(a) Subsidiaries			NIL
	(b) Companies in the same group			
	(c) Other related parties			
	2. Other than related parties	1,265,061	197,234,181	198,499,242
	Total	1,265,061	197,234,181	198,499,242
(6)	Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted): Please see note 3 below			
		Market value/Break up or fair value or NAV		
	Category	Book value (Net of Provisions)		
	1. Related Parties **	NIL		
	(a) Subsidiaries	NIL		
	(b) Companies in the same group	NIL		
	(c) Other related parties	NIL		
	2. Other than related parties	500,000		
	Total	500,000		

** As per Accounting Standard of ICAI (Please see note 3)



Annexure to Balance Sheet as at 31.03.2013 of Trident Microfin Private Limited(COR: B-06.00409)
 Note "32" to the Balance Sheet of a non-deposit taking non-banking financial company
 (as required in terms of paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential
 Norms (Reserve Bank Directions, 2007)

Particulars		(Amount in Lakhs)
(7) Other information		
	Particulars	Amount
(i) Gross Non-Performing Assets		
(a) Related parties		Nil
(b) Other than related parties		1,118,106,364
(ii) Net Non-Performing Assets		
(a) Related parties		Nil
(b) Other than related parties		30,873,094
(iii) Assets acquired in satisfaction of debt		Nil

Notes:

- As defined in paragraph 2(1)(xi) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- Provisioning norms shall be applicable as prescribed in Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.
- All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in (4) above.

As per our report of even date

For Valthisvaran & Co.,
 Chartered Accountants

G. Nagaraju

Partner

M.No: 209048

Firm Regn No: 44945

Place: Hyderabad

Date: 22nd April 2013

For and on behalf of the Board

Rahul Jakatdar

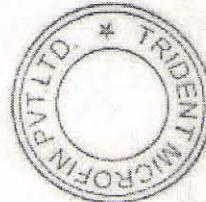
Director

P.Kishore Kumar

Managing Director

Rimpa Sarkar

Company Secretary



To
Reserve Bank Of India,
Chandigarh



Dear Sir,

Subject: Statutory Auditor Certificate as per DNBS.188/CGM (PK) - 2006 dated September 21, 2006

This is to certify that the M/s TRIDENT MICROFIN PRIVATE LIMITED continues to undertake the business of NBFC-ND-SI as on 31st March 2013, requiring holding of Certification of Registration under section 45 IA of the RBI Act, 1934.

Further, the asset and income pattern of the company as on 31 March, 2013 is as under.

ASSET PATTERN OF THE COMPANY AS ON 31 MARCH 2013

S.No	Particulars	Amount in Lakhs	Percentage to total assets as on 31.03.2013
1	Net Fixed Assets	79.16	1.68%
2	Net Leased Assets	-	0.00%
3	Net Stock on hire/hypothecation	-	0.00%
4	Loans and Advances	1,984.99	42.01%
5	Investment in Govt. Sec.	-	0.00%
6	Interest on Govt. Sec. if any	-	0.00%
7	Fixed Deposits	-	0.00%
8	Interest on FDRs	-	0.00%
9	Cash and Bank Balances	2,632.76	55.72%
10	Investment in Group Companies	-	0.00%
11	Other Investments	5.00	0.11%
12	Sundry Debtors	-	0.00%
13	Security Deposit	-	0.00%
14	Advance Tax / Interest Tax	-	0.00%
15	Other Assets	22.83	0.48%
Total Asset		4,724.74	100.00%

INCOME PATTERN AS ON 31 MARCH 2013

S.No	Particulars	Amount in Lakhs	Percentage to total income as on 31.03.2013
1	Income from Hire Purchase/Hyp	-	0%
2	Interest Earned on FDRs	40.57	8.50%
3	Interest on Govt. Securities, if any	-	0.00%
4	Investment Income	174.36	36.51%
5	Income on Loans and Advances	257.74	53.97%
6	Interest earned others (IODs)/	-	0.00%
7	Interest on Income Tax Refund	-	0.00%
8	Excess amt of prov Written back	-	0.00%
9	Bad debts recovered or rent received	-	0.00%
10	Others	4.85	1.02%
Total Income		477.52	100.00%

For Vaithisaran & Co.,
Chartered Accountants

G Nagaraju

Partner

M.No: 209048

Firm Regn No: 4494S

Place: Hyderabad

Date: 22nd April 2013

