

REPCO MICRO FINANCE LIMITED

**10TH ANNUAL REPORT
2016 - 2017**



Our Mission



*Upscaling under privileged through
financial inclusion and creation of first
generation entrepreneurs*

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CORPORATE INFORMATION

Board of Directors (As on 30.06.2017)



Smt. R.S. ISABELLA
Managing Director



Sri. R. VARADARAJAN
Non-Executive Director



Sri. V. MOHANDOSS
Independent Director



Sri. P. MAHALINGAM
Non-Executive Director



Smt. SRIPRIYA KUMAR
Independent Director



Sri. N. BALASUBRAMANIAN
Whole time Director

COMMITTEES OF THE BOARD

As on 31.03.2017

AUDIT COMMITTEE

- ❖ Sri. R.Varadarajan
- ❖ Sri. V.Mohandoss
- ❖ Smt. Sripriya Kumar

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

- ❖ Smt. R.S.Isabella
- ❖ Sri. V.Mohandoss
- ❖ Sri. A.G.Venkatachalam

NOMINATION AND REMUNERATION COMMITTEE

- ❖ Sri. R.Varadarajan
- ❖ Sri. V.Mohandoss
- ❖ Smt. Sripriya Kumar

KEY MANAGERIAL PERSONNEL

- ❖ Smt. R.S. Isabella
Managing Director
- ❖ Sri. V. Balasubramanian
Chief Financial Officer
- ❖ Sri. Anup Kumar Gupta
Company Secretary

AUDITORS

M/s R. Subramanian and Company
No. 6(36), Krishnaswamy Avenue, Lux,
Mylapore, Chennai-600 004

REGISTERED OFFICE:

Repco Tower,
No. 33, North Usman Road, T. Nagar, Chennai - 600 017
Telephone: 044-28340715
Facsimile: 044-28340716

CORPORATE OFFICE:

No. 635, Karumuttu Center, 2nd Floor, North Wing

Anna Salai, Nandanam, Chennai - 600 035

Telephone: 044 24310212

Email – rmfl@repcomicrofin.co.in

BANKERS

- ❖ Repco Bank
- ❖ HDFC Bank
- ❖ Syndicate Bank
- ❖ Dena Bank
- ❖ City Union Bank
- ❖ IDBI Bank
- ❖ Union Bank of India
- ❖ KarurVysya Bank
- ❖ Shinhan Bank
- ❖ Indian Bank
- ❖ Canara Bank
- ❖ Bank of India
- ❖ State Bank of India



CREDIT INFORMATION COMPANIES (CIC)

- ❖ CRIF High Mark
- ❖ EQUIFAX
- ❖ CIBIL
- ❖ EXPERIAN

REGULATOR

Reserve Bank of India

Department of Non- Banking supervision

Chennai- 600001

NABARD SHG BANK LINKAGE AWARD 2016-2017



*Received by Smt. R.S.Isabella,
Managing Director-Repco Micro Finance Limited.
from Hon'ble Chief Minister of Tamilnadu
Sri.Edappadi.K.Palaniswami*

CSR Activities:

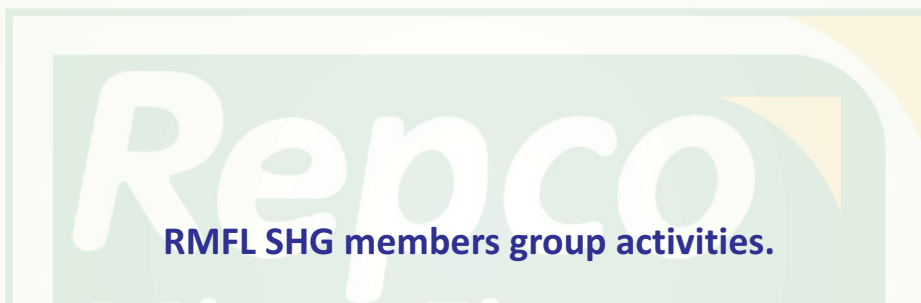
**Swachh Bharat Abhiyan – Clean India project on 16.06.2017
At Thiruvaleeswarar Temple, Padi - Chennai**



**World Women's Day Celebration on 08.04.2017
RMFL-Conduct Free Medical Camp for SHG members, Tambaram**



Construction of classroom under CSR for Siragu Montessori School at Avadi-Chennai.



Training Programme for RMFL staff at Repco Staff College – Alwarpet



RMFL - Half Yearly Review Meeting at Chennai





DIRECTORS REPORT TO THE MEMBERS

Your Directors are pleased to present the Tenth Annual Report with the Audited Statement of Accounts and the Auditor's Report of your company for the financial year ended 31st March 2017.

Overview:

Your Directors are glad to state that your company has shown increase in revenue from operations. The Company has earned a total income of Rs. 7758.39 lakhs and net profit of Rs. 1704.57lakh for the year ended 31st March 2017 as against a total income of Rs. 5435.91 lakh and a net profit of Rs. 1256.92 lakhs for the year ended 31st March 2016 amounting to an increase of 35.61 % in net profit.

During the year under review, company has issued and allotted equity shares to the existing shareholders. The Company has created necessary provisions in pursuance to guidelines issued by the Reserve Bank of India, after which net NPA is NIL.

During the year, company has availed term loan of Rs.142/- Crore (Rupees One Hundred Forty Two Crore Only) from various commercial banks and secured overdraft limit increased from Rs.1,250 lakh to 2,000 lakh in Repco Bank. Company is expecting more funds from other commercial banks in the current financial year.

The Company currently operates only in state of Tamilnadu with 75 branches as on 31st March 2017 compared to 65 in previous year. The Company proposed to open more branches at the unbanked areas to provide financial assistance to the Self Help Groups.

The Capital Adequacy Ratio of the company as on 31st March, 2017 was 17.65 % of risk weighted assets, as against the minimum requirement of 15 %and the qualifying assets is more than 85%of the net assets as required by the Reserve Bank of India for NBFC-MFI.

Your Directors are confident that the micro finance sector will continue to grow in coming years.

• **Details as required under Rule 8 of the Companies (Accounts) Rules, 2014
Financial Highlight:**

(Rs. In Lakhs)

Particulars	As at 31.03.2017	As at 31.03.2016
Interest Income	7223.09	5044.54
Other Income	535.30	391.36
Total Income	7758.39	5435.91
Interest & other Financial Charges	3089.13	2071.80
Administration & Other Costs	1712.43	1139.42
Provision for Standard Assets	74.42	110.40
Provision for Non -Performing Assets	143.77	94.49
Depreciation	119.31	83.31
Profit before tax	2619.31	1936.48
Tax Expenses	914.73	679.56
Net Profit after tax	1704.57	1256.92
CRAR	17.65%	17.53%

Business Highlights:

- 10 new branches opened in FY 2016-17.
- Total number of borrowers as on 31st March, 2017 was 2,29,941.
- Disbursement during the year was Rs.496.87Crore, 40.18 % over PY.

❖ **The State of Company's affairs:**

Repco Micro Finance Limited is an RBI registered NBFC-MFI Company based in Chennai, providing micro finance loans to SHG's through its 75 branches across Tamilnadu covering 31 districts. As on March 31, 2017, borrower base of the company is 2,29,941.

The Company's mission is **“Up scaling under privileged through financial inclusion and creation of first generation entrepreneurs”**.

❖ Operation :

There was no change in nature of operation of the company during the year under review.

❖ Share Capital :

During the year under review, the company has issued and allotted 10,000,000 (One Crore) equity shares of face value of Rs.10/- each to the existing shareholders of the company on right basis. The paid up capital of the company as on date of this report stands at Rs.492,000,000/- comprising 49,200,000 equity shares of Rs.10/-each.

❖ Dividend:

Your Directors have recommended a dividend of Rs.1.20/- (Rupees One and Twenty paise only) per share i.e 12 percent on each equity share having face value of Rs.10/- (Rupees Ten Only) each. The dividend will be paid to the members, whose names appear in the register of members as on 30th May, 2017

❖ Public Deposits:

The Company being a Non-Deposit Accepting Non-Banking Finance Company has not accepted any deposits from the public during the year under review and shall not accept any deposits from the public without obtaining prior approval of the RBI.

❖ Capital Adequacy

The company's capital adequacy ratio was 17.65% as on March 31, 2017, which is above the required threshold limit of 15 % as prescribed by the Reserve Bank of India.

❖ Reserves :

The company proposes to transfer Rs.17,04,57,587/- (Rupees Seventeen Crore Four lakh Fifty Seven Thousand Five Hundred and Eighty Seven Only) General Reserve , out of which further statutory appropriations will be made.

❖ Compliance with RBI Guidelines / Directions:

The Company continues to comply with all the requirements prescribed by the Reserve Bank of India, from time to time as applicable to it.

❖ **Annual Return:**

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 is furnished in Annexure- A and is attached to this Report.

❖ **Contracts and Arrangements with related parties:**

There was no contract or arrangements made with related parties as defined under Section 188 of the Companies Act, 2013 during the year under review.

❖ **Adequacy of Internal Financial Controls:**

The Company has put in place an adequate internal control system to safeguard all assets and ensure operational efficiency. The Company also has an independent internal auditor to conduct ongoing internal audits; covering all aspects of operations. The Company also has a team of inspection who visit the branches on regular interval. Apart from these, Tele Call- Monitoring Mechanism is put in place. Through this Mechanism borrowers are contacted and enquired about end utilization of loan availed. This mechanism has provided more control to the company.

❖ **Risk Management:**

The company has in place a risk management policy framework which has been approved by the Board of Directors. The framework codifies the various risks and the methodologies to ensure such risks are mitigated.

❖ **Particulars of Loans, Guarantee or Investments:**

The Company has not given any loans or guarantees covered under provisions of section 186 of the Companies Act, 2013. The Company has not made any Investments

❖ **Particulars of Employees :**

The Company does not have any employee whose particulars are required to be furnished under Rule 5 of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014.

❖ Conservation of Energy & Technical Absorption:

The Company is not a manufacturing company, hence, the particulars relating to conservation of energy and technology absorption stipulated in section 134(3)(m) of the Companies Act, 2013, are not applicable.

❖ Foreign Exchange Earnings and Out-Go:

During the period under review there was no foreign exchange earnings or out flow.

❖ Human Resources :

The Company firmly believes that its Human Resource is most valuable asset and it contributes towards the performance of the Company in a substantial way. The Company has devised various development programs for the employees through internal training program. It has provided a wide range of benefits to its employees such as Education Aid, Medical Insurance, Cremation Expenses, Washing & Newspaper allowance etc.

❖ Vigil Mechanism / Whistle Blower:

The Company in pursuance to sub section 9 of Section 177 of the Companies Act, 2013 has framed Vigil Mechanism / Whistle Blower policy for directors and employees to report genuine concerns about unethical behaviour, actual or suspected frauds or violation of the Company code or ethics policy. The policy was approved by the board and is posted on the website of the Company.

❖ Directors / Key Managerial Personnel :

The details of directors and key managerial personnel who were appointed or have resigned during the year under review;

Sl.No	Name of Director/ KMP	Designation	Appointed / Cessation	Date of Appoint- ment/ Cessation
1.	Mr. P. Natarajan	Director	Cessation	31 st August, 2016
2.	Smt. R. S Isabella	Managing Director	Appointed	6 th June, 2016

In accordance with the provisions of Section 152 of the Act and in terms of Article 91 of the Articles of Association of the Company, Mr. P. Mahalingam retires and is eligible for re-appointment.

In terms of Section 203 of the Act, the following are the Key Managerial Personnel (KMP) of the Company:

Smt. R.S Isabella,	Managing Director
Mr. V.Balasubramanian,	Chief Financial Officer
Mr. Anup Kumar Gupta,	Company Secretary

❖ **Evaluation of Board , Committees & Independent Directors :**

Board evaluated its performances as a whole, its various committees and was satisfied with its performance and committees. The board (excluding the independent director being evaluated) also evaluated the performance of all the Independent directors.

❖ **Declaration of Independence by Independent Directors:**

The Independent Directors have submitted their disclosures to the Board that they full fill the entire requirement as stipulated in section 149(6) of the companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

❖ **Separate Meeting of Independent Director**

The Independent Directors of the company at their separate meeting held on 28th March, 2017 in full attendance, made an objective assessment and evaluation of the performance (a) Managing Director (b) Non- Independent Director of the Company.

❖ **Number of Meeting:**

During the period under review four board meeting were held and convened. The board meeting was held on June 6, 2016, September 2, 2016, December 22, 2016 and March 28, 2017.

The details of the number of Board Meeting(s) attended by each Director during the year ended March 31, 2017 are given below:

Name of Director	No. of Board Meetings held during tenure of the Director	No. Board Meetings attended by the Director
Smt. R.S Isabella*	4	4
Sri. R. Varadarajan	4	4
Smt. Sripriyakumar	4	3
Sri. V. Mohandoss	4	4
Sri. P. Mahalingam	4	4
Sri. A.G.Venkatachalam	4	4
Sri. P. Natarajan**	1	1

*Appointed as Managing Director w.e.f June 6, 2016

** Resigned on August 1, 2016.

❖ Composition of Committees. (As on 31st March , 2017):

Audit Committee

The audit committee was reconstituted as per section 177 of the Companies Act, 2013 read with rule 6 and 7 of the Companies (Meeting of the Board and its Powers) rules, 2013. The Audit Committee consist of the following members as on 31.03.2017.

- a) Sri. R.Varadarajan Chairman
- b) Sri. V. Mohandoss Independent Director
- c) Smt. Sripriya Kumar Independent Director

The above composition of the Audit Committee consists of Independent Directors viz, Shri. V. Mohandoss and Smt. Sripriya Kumar., forming the majority. The details of the number of Audit Committee attended by member of committee during the year ended March 31, 2017 are given below:

Name of Director	No. of Committee Meetings held during tenure of the Director	No. of Committee Meetings attended by the Director
Smt. R.S. Isabella*	1	1
Sri. R.Varadarajan	1	1
Sri. V. Mohandoss	2	2
Smt. Sripriyakumar	2	2

*Ceased as member w.e.f 6th June, 2016

Nomination Remuneration & Committee

The Nomination & Remuneration Committee consists of following directors as on 31.03.2017.

- a) **Sri. R.Varadarajan** Chairman
- b) **Sri V. Mohandoss** Independent Director
- c) **Smt.Sripriya Kumar** Independent Director

The details of the number of Nomination & Remuneration Committee attended by member of committee during the year ended March 31, 2017 are given below:

Name of Director	No. of Committee Meetings held during tenure of the Director	No. of Committee Meetings attended by the Director
Sri. R.Varadarajan	1	1
Smt. Sripriyakumar	2	2
Sri. V. Mohandoss	2	2
Smt. R.S.Isabella*	1	1

*Ceased as member w.e.f from 6th June, 2017.

The Company's policy relating to appointment of Directors, payment of Managerial remuneration, Directors' qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013.

❖ **Corporate Social Responsibility:**

The Board has constituted a Corporate Social Responsibility Committee headed by Smt. R.S. Isabella as Chairperson, with Mr. V. Mohandoss and Mr. A.G Venkatachalam as Members. The Company has adopted a Corporate Social Responsibility (CSR) Policy in compliance with the provisions of the Act initiated activities in accordance with the said policy, the details of which have prescribed in Annexure – B. The CSR policy of the Company is available on the Company's website and can be accessed in the link given below.

http://www.repcomicrofin.co.in/pdf_files/investors_files/file_inves_3.pdf

❖ **Directors Responsibility Statement:**

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submits its responsibility Statement:-

- a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The directors had prepared the annual accounts on a going concern basis

- e) The directors had laid down internal financial control to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

❖ **Subsidiaries, Joint Ventures and Associate Companies:**

The Company does not have any Subsidiary, Joint venture or Associate Company.

❖ **Statutory Auditors:**

“R. Subramanian and Company LLP” Chartered Accountants have completed ten years as auditors. Their term as auditor is up to the conclusion of the forthcoming AGM and they are not eligible for re-appointment.

In accordance with the provisions of Section 139 of the Act, M/s P.B Vijayaraghavan & Company, Chartered Accountants Firm are proposed to be appointed as auditors for a period of five years commencing from the conclusion of this AGM till the conclusion of the 15thAGM of the Company to be held in 2020., subject to ratification of their appointment at every AGM, if so required under the Act.

M/s.P.BVijayaraghavan and Company have consented to their appointment as Statutory Auditors and have confirmed that their appointment, if made, will be in accordance with Section 139 read with Section 141 of the Ac

The Notes to Accounts forming part of the financial statements are self explanatory and need no further explanation.

There are no qualifications or adverse remarks in the Auditors Report which require any clarification / explanation.

❖ **Material Changes and Commitment affecting the financial position of the company between 31st March and the date of Board's Reports :**

There have been no material changes and commitments, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

No order has been passed by the regulators or court or tribunal impacting the going concern status and company's operation in future.

❖ **Penalty**

No penalty has been paid to any statutory bodies during the period under review.

❖ **Disclosures under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.**

The Company has constituted Internal complaints Committee in line with the requirement of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013.

The Company has not received any complaint of sexual harassment during the year under review.

❖ **Grading and Rating**

During the year under review, ICRA & CARE, rating agencies, has rated your company. ICRA has upgraded rating from "M3" to "M2+" for MFI Grading and "BBB" from "BBB-" for bank facilities.

CARE has assigned "M2" for MFI grading and "BBB+" for bank facilities.

❖ **Acknowledgment**

Yours Directors would like to express their heartfelt appreciation and support received from all its stakeholders – bankers, REPCO Bank, Repco Home Finance Limited, Sa-Dhan, and the regulator Reserve Bank of India.

**By order of the Board of Directors
For, Repco Micro Finance Limited**

Mr. N. Balasubramanian
Whole Time Director
DIN-07832970

Smt. R. S. Isabella
Managing Director
DIN – 06871120

Date: **30.08.2017**
Place: **Chennai**



FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2017

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I REGISTRATION & OTHER DETAILS:

i	CIN	U74900TN2007PLCO64126
ii	Registration Date	27.06.2007
iii	Name of the Company	Repco Micro Finance Limited
iv	Category/Sub-category of the Company	Company having Share Capital
v	Address of the Registered office & contact details	Repco Towers, No.33, North Usman Road, T.Nagar, Chennai-17
vi	Whether listed company	No
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	N.A

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

SL No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Micro Finance lending	64990	100%

III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

SL No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	-	-	-	-	-

IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% charge during the year
	De-mat	Physical	Total	% of Total Shares	De-mat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt. or State Govt.	-	-	-	-	-	-	-	-	-
c) Bodies Corporates	-	-	-	-	-	-	-	-	-
d) Bank/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	2,68,00,000	2,68,00,000	68	-	3,36,00,000	3,36,00,000	68	25
	-				-				
SUB TOTAL:(A) (1)	-	2,68,00,000	2,68,00,000	68	-	3,36,00,000	3,36,00,000	68	25
(2) Foreign	-				-				
a) NRI-Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other...	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
SUB TOTAL (A) (2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A)= (A)(1) + (A)(2)	-	2,68,00,000	2,68,00,000	68	-	3,36,00,000	3,36,00,000	68	25

B. PUBLIC SHARE HOLDING	-				-				
(1) Institutions	-				-				
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	1,24,00,000	1,24,00,000	32	-	1,56,00,000	1,56,00,000	32	25
C) Cenntal govt	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIS	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
SUB TOTAL (B) (1):	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
(2) Non Institutions	-	-	-	-	-	-	-	-	-
a) Bodies corporates	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	-	-	-	-	-	-	-	-	-

ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
SUB TOTAL (B) (2):	-	1,24,00,000	1,24,00,000	32	-	1,56,00,000	1,56,00,000	32	25
	-				-				
Total Public Shareholding (B)= (B)(1)+(B) (2)	-	1,24,00,000	1,24,00,000	32	-	1,56,00,000	1,56,00,000	32	25
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	3,92,00,000	3,92,00,000	100	-	4,92,00,000	4,92,00,000	100	

(ii) SHARE HOLDING OF PROMOTERS

Sl No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		NO of shares	% of total shares of the company	% of shares pledged encumbered to total shares	NO of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	REPCO BANK LTD	2,68,00,000	68	-	3,36,00,000	68	-	25
	Total	2,68,00,000	68	-	3,36,00,000	68	-	25

(iii) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)

Sl. No.		Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
1	At the beginning of the year	2,68,00,000	68%	3,36,00,000	68%
Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)					
Date	Name of the Pomoter	Increase / Decrease	Reason	Number of shares	% of total shares of the company
	Repco Bank	Increase	Allotment	68,00,000	25
	Total			68,00,000	25
	At the end of the year			3,36,00,000	68

(iv) Shareholding Pattern of top ten Shareholders (other than Direcors, Promoters & Holders of GDRs & ADRs)

Sl. No		Shareholding at the end of the year		Cumulative Shareholding during the year	
		No.of shares	% of total shares of the company	No of shares	% of total shares of the company
1	Repco Home Finance Ltd	1,24,00,000	32	1,56,00,000	32

(v) Shareholding of Directors & KMP

Sl. No		Shareholding at the end of the year		Cumulative Shareholding during the year	
		No.of shares	% of total shares of the company	No of shares	% of total shares of the company
1	-	-	-	-	-
2	-	-	-	-	-
3	-	-	-	-	-

* Few Directors are holding equity shares on behalf of Repco Bank

V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/ accrued but not due for payment (Amt in Rs.)						
		Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness	
Indebtness at the beginning of the financial year						
i) Principal Amount		2,25,41,66,864	39,03,88,683	0	2,64,45,55,547	
ii) Interest due but not paid		0	0	0	0	
iii) Interest accrued but not due		0	0	0	0	
Total (i+ii+iii)		2,25,41,66,864	39,03,88,683	0	2,64,45,55,547	
Change in Indebtedness during the financial year						
Additions		2,19,03,80,576	0	0	0	
Reduction		78,85,19,916	5,56,13,749	0	0	
Net Change						
Indebtedness at the end of the financial year						
i) Principal Amount		3,65,60,27,524	33,47,74,934	0	3,99,08,02,458	
ii) Interest due but not paid		0	0	0	0	
iii) Interest accrued but not due		16,55,373	0	0	16,55,373	
Total (i+ii+iii)		3,65,76,82,897	33,47,74,934	0	3,99,24,57,831	

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time director and/or Manager: (Rs. in lacs)

Sl. No	Particulars of Remuneration	Name of the MD/WTD/Manager	Total Amount
1	Gross salary	R.S. ISABELLA, MD *	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	-	-
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-

2	Stock option			-	-
3	Sweat Equity			-	-
4	Commission			-	-
	as % of profit			-	-
	others (specify)			-	-
5	Others, please specify			-	-
	Total (A)			-	-
	Ceiling as per the Act			5 % of Net Profit	
	* Remuneration paid by parent organisation, Repco Bank Ltd.				
	*Appointment as MD w.e.f 6th June, 2016				

B. Remuneration to other directors:

Sl. No	Particulars of Remuneration	Name of the Directors			
1	Independent Directors	Sripriyakumar	V.Mohandass		
	(a) Fee for attending board committee meetings	20,000	25,000		
	(b) Commission	-	-		
	(c) Others, please specify	-	-		
	Total (1)	20,000	25,000		
2	Other Non Executive Directors	P.Mahalingam	R.S Isabella	A G Venkatachalam*	Total
	(a) Fee for attending board committee meetings	20,000	-	-	
	(b) Commission	-	-	-	
	(c) Others, please specify.	-	-	-	
	Total (2)	20000	-	-	
	Total (B)=(1+2)	40,000	25,000	-	
	Total Managerial Remuneration				65,000
	Overall Ceiling as per the Act	1 % of Net Profit			
	*Remuneration paid by Parent Organisation, Repco Bank Ltd				

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD (Amount in Rs.)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
1	Gross Salary	CEO	Company Secretary-Anup Gupta	CFO- V. Balasubramanian*
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	Not Applicable	8,07,354	5,44,871
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961			
2	Stock Option			
3	Sweat Equity			
4	Commission			
	as % of profit			
	others, specify			
5	Others, please specify			
	Sodex		48,000	51,750
	Incentive		58,000	38,895
	Total		9,13,354	6,35,516

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority (RD/NCLT/Court)	Appeal made if any (give details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

Corporate Social Responsibility (CSR)

[Pursuant to clause (0) of sub. section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate social Responsibility) Rules, 2014]

- ❖ A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:

http://www.repcomicrofin.co.in/pdf_files/investors_files/file_inves_3.pdf

- ❖ The composition of the CSR Committee as on 31st March, 2017 is as follows:

Smt. R.S.Isabella	Chairperson
Shri. V. Mohandoss	Independent Director
Shri .A.G.Venkatachalam	Non- Executive Director

- ❖ Average net profit of the company for last three financial years

Particulars	Rs in lakh
Profit - 2015-16	1936.48
Profit - 2014-15	1097.02
Profit - 2013-14	731.58
Average PROFIT for CSR purpose	1255.02
2% of average Profit for last three years	25.10

- ❖ Prescribed CSR Expenditure (two percent of the amount as in item 3 above) 2% of average profit for last 3 years Rs.25.10 lakhs (Rupees Twenty five lakh Ten Thousand only)

- ❖ Details of CSR contribution made by the Company during the Financial Year

Particulars	Rs in lakh
CSR Expenditures - Between April 2016 and March 2017	7.39
TOTAL	7.39

- ❖ Total amount spent by Company in CSR activities during the financial year : 7.39 Lakhs
- ❖ Amount unspent, if any: Rs.17.71 Lakhs
- ❖ Manner in which the amount spent during the Financial Year is detailed below.

(Rs in Lakhs)

1	2	3	4	5	6	7	8
S. No	CSR project or activity identified	Sector in which the Project is covered	Projects or programs local area or other (2) Specify the State and district where projects or programs were undertaken	Amount outlay (budget) project or program-wise	Amount spent on the projects or programs sub-heads: Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto the reporting period (FY 2015 -16)	Amount spent: Direct or through Implementing Agency'
1.	Provided tables and chairs to Little flower convent school	Education	Chennai	5	5	5	Direct
2	Donated LED projector to Chengalvaraya Naidu Hr.Sec. School	Education	Chennai	0.39	0.39	0.39	Direct
3	Donation for the construction of RMD pain and palliative care trust	Health	Chennai	2	2	2	Direct

- ❖ In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report.

“The company is committed to focus on inclusive growth and improvement in society by contributing towards communities around which it operates. During the year FY 2016-17, company had made expenditure of Rs.7.39 lakhs and this expenditure was made keeping in view, giving maximum benefit to areas where company operates. The company could not find such other projects in areas of its operating for spending the unspent amount”

- ❖ A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

We hereby confirm, on behalf of the CSR Committee, that the implementation and monitoring of CSR Policy is in compliance with the CSR objectives and Policy of the Company.



By the order of Board
For, Repco Micro Finance limited

Mr. N. Balasubramanian

Whole Time Director

DIN-07832970

Smt. R. S. Isabella

Managing Director

DIN – 06871120

Date: **30.08.2017**

Place: **Chennai**

R.Subramanian And Company LLP

CHARTERED ACCOUNTANTS

(Formerly R.Subramanian And Company)

Registered Office:

New No:6,Old No.36, Krishnasamy Avenue,Luz,Mylapore,Chennai – 600 004.

Phone : 24992261/ 24991937/ 24994231. Fax 24991408

Email : rs@rscompany.co.in Website : www.rscompany.co.in

Independent Auditor's Report

To the Members of

REPCO MICRO FINANCE LIMITED

(Formerly Repco MSME Development and Finance Limited) Chennai

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Repco Micro Finance Limited (formerly Repco MSME Development and Finance Limited)** ('the Company'), which comprise the balance sheet as at 31 March 2017, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and

other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

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

- a) In the case of the Balance sheet of the state of affairs of the Company as at 31 March 2017,
- b) In the case of statement of profit and loss of the profit for the year 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

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
 - (d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

- (e) on the basis of the written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls refer to our Separate report under Annexure B; and
 - (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - I. the Company has no pending litigations as at the end of the year, accordingly disclosing of the impact of pending litigations on its financial position in its financial statements does not arise.
 - ii. the Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses,
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund of the company.
- Iv The Company has provided adequate disclosures in the financial statements as to holdings as well as dealing in Specified Bank notes during the period from November 8, 2016 to December 30, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the management – Refer Note 20(g)(15)

for **R.Subramanian and Company**

Chartered Accountants

Firm's registration number: ICAI FR No:004137S

Place: **Chennai**

Date: **30.05.2017.**

R.Prakash

Partner

M.No:205869

Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2017, we report that:

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of two years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
 (c) No Immovable properties are held by the company, hence reporting on this clause is not applicable.
2. The company is a Non-Banking finance company, and it does not hold any inventories. Thus, paragraph 3(ii) of the Order is not applicable to the Company.
3. The Company has not granted any loans, secured/unsecured, to corporate, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Thus, paragraph 3(iii) of the Order is not applicable to the Company.
4. There are no loans granted, investments made under the provisions of section 185 and 186 of the Companies Act, 2013 Thus, paragraph 3(iv) of the Order is not applicable to the Company.
5. The Company has not accepted any deposits from the public.
6. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
7. (I) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted in the books of account in respect of undisputed statutory dues including provident fund, income-

tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities..

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31 March 2017 for a period of more than six months from the date they became payable

(ii) According to the information and explanations given to us, and based on the records of the company examined by us, there are no dues of sales tax, income tax, excise duty, cess, customs duty, service tax and value added tax which have not been deposited by the Company on account of dispute as at 31st March 2017

8. According to the records of the company examined by us and based on the information and explanations given to us, the company has not defaulted in repayment of any dues to financial institutions or banks as at balance sheet date.
9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Term loans availed during the year were applied for the purposes for which those are raised.
10. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit with the exception of the following:-

Nature of Fraud	Amount in Rs.
Embezzlement of cash by employees	10,30,342/-

11. Paragraph 3(xi) of the order on managerial remuneration is not applicable since the company has not paid Managerial remuneration during the year.
12. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
16. The Company is required to be registered under section 45-IA of the Reserve Bank of India Act 1934, and necessary registration has been obtained from Reserve bank of india.

for **R.Subramanian and Company**

Chartered Accountants

Firm's registration number: ICAI FR No:004137S

R.Prakash

Partner

M.No:205869

Place: **Chennai**

Date: **30.05.2017**

ANNEXURE “B” to The Independent Auditor's Report of even date on the Standalone Financial Statements Repco Micro finance Limited (Formerly Repco MSME Development and Finance limited)

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

We have audited the internal financial controls over financial reporting of **Repco Micro finance Limited (Formerly Repco MSME Development and Finance limited)** (“the Company”) as of March 31, 2017 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that :

- (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are

being made only in accordance with authorisations of management and Directors of the company; and

- (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **M/s R.SUBRAMANIAN AND COMPANY**
(Chartered Accountants)
(Firm Registration No.004137S)

R Prakash
Partner
Membership No.205869.

Place: Chennai
Date:30.05.2017

REPCO MICRO FINANCE LIMITED (Formerly Repco MSME Development and Finance Limited) NO:33 NORTH USMAN ROAD, T NAGAR, CHENNAI 600017 BALANCE SHEET AS AT 31ST MARCH 2017				
	Particulars	Note No	As at 31st March 2017 (Amt in Rs.)	As at 31st March 2016 (Amt in Rs.)
I	EQUITY AND LIABILITIES			
	Shareholder's funds			
	-Share Capital	2	492,000,000	392,000,000
	-Reserves and Surplus	3	369,334,307	198,876,721
	Non current liabilities			
	-Long Term Borrowings	4	935,094,121	673,160,877
	-Deferred Tax Liabilities (Net)		-	-
	-Long term Provisions	5	66,461,837	44,643,489
	Current Liabilities			
	-Short Term Borrowings	6	2,198,494,056	1,543,671,692
	-Other Current Liabilities	7	880,697,102	450,546,651
	-Short Term Provisions	8	9,856,630	47,180,336
	TOTAL		4,951,938,053	3,350,079,766
II	ASSETS			
	Non Current Assets			
	-Fixed Assets	9		
	-Property, Plant & Equipment		18,666,963	18,084,149
	-Intangible Assets		6,823	129,237
	-Deferred tax assets (net)	10	17,528,353	14,001,974
	-Long term loans and advances	11	2,737,522,920	1,507,213,941
	Current Assets			
	-Cash and cash Equivalents	12	174,159,786	3,117,500
	-Short-Term Loans and Advances	13	2,003,714,471	1,807,231,808
	-Other Current Assets	14	338,737	301,157
	TOTAL		4,951,938,053	3,350,079,766
	Significant Accounting Policies	1		
	Notes Forming Part of Accounts	20		

For R.Subramanian And Company LLP
Chartered Accountants
FRW0041375/5200041

A.G.Venkatachalam
Director

R.S.Isabella
Managing Director

R.Prakash
Partner Membership No.205869

Place: Chennai
Date: 30.05.2017

V.Balasubramaniam
Chief Financial Officer

Anup Kumar Gupta
Company Secretary



REPCO MICRO FINANCE LIMITED				
(Formerly Repco MSME Development and Finance Limited)				
NO: 33 NORTH USMAN ROAD, T NAGAR, CHENNAI 600017				
Statement of Profit and Loss For The Year ended 31st March, 2017				
Particulars		Note No	As at 31st March 2017 (Amt in Rs.)	As at 31st March 2016 (Amt in Rs.)
III	INCOME:			
	Revenue From Operations	15	722,308,453	504,454,606
	Other Income	16	53,530,754	39,136,425
	Total Revenue		775,839,207	543,591,031
IV	EXPENDITURE			
	Employee Benefit Expenses	17	129,930,305	85,298,664
	Finance Costs	18	313,007,862	207,180,484
	Depreciation	9	11,931,254	8,331,072
	Other Expenses	19	37,220,230	28,643,522
	Provision for Non-Performing Assets		14,376,500	9,448,781
	Provision for Standard Assets & Other Contingencies		7,441,848	11,039,611
	Total expenses		513,907,999	349,942,134
V	Profit Before Taxation (III-IV)		261,931,208	193,648,897
VI	Tax Expense:			
	(1) Current Tax		95,000,000	74,000,000
	(2) Tax expense of earlier years		-	25,850.00
	(3) Deferred Tax		(3,526,379)	(6,069,083)
VII	Net Profit/(Loss) for the period		170,457,587	125,692,130
VIII	Earnings per equity share			
	Weighted Average Number of Shares Outstanding during the Period		40,104,110	39,200,000
	Basic and Diluted Earnings per share (Rs.)		4.25	3.21
	Nominal value per Equity Share (Rs.)		10	10
	Significant Accounting Policies	1		
	Notes Forming Part of Accounts	20		

For R.Subramanian And Company LLP
Chartered Accountants
FRW0041375/5200041

A.G.Venkatachalam
Director

R.S.Isabella
Managing Director

R.Prakash
Partner Membership No.205869

V.Balasubramaniam
Chief Financial Officer

Anup Kumar Gupta
Company Secretary

Place: Chennai
Date: 30.05.2017

REPCO MICRO FINANCE LIMITED (Formerly Repco MSME Development and Finance Limited) NO:33 NORTH USMAN ROAD, T NAGAR, CHENNAI 600017					
Particulars	Note No	As at March 31, 2017		As at March 31, 2016	
		Number	Amount (Rs)	Number	Amount (Rs)
Shareholder's fund					
Note 2:					
A : SHARE CAPITAL	2				
Authorised Capital					
Equity shares of Rs.10/- each		60,000,000	600,000,000	60,000,000	600,000,000
Issued, Subscribed & Paid up Capital					
Equity shares of Rs.10/- each fully paid up.		49,200,000	492,000,000	39,200,000	392,000,000
As per Balance Sheet		49,200,000	492,000,000	39,200,000	392,000,000
(a) Reconciliation of Share outstanding at the beginning and at the end of the year.					
Shares outstanding at the beginning of the year		39,200,000	392,000,000	39,200,000	392,000,000
Shares issued during the year		10,000,000	100,000,000	-	-
Shares bought back during the year.		-	-		
Shares outstanding at the end of the year		49,200,000	492,000,000	39,200,000	392,000,000
Out of the above, shares held by Repco Bank Limited (Promoter)		33,600,000	336,000,000	26,800,000	268,000,000
b) Shareholder holding more than 5 % of share capital					
Name of Shareholder					
Repco Bank Limited		336,000,000	68%	26,800,000	68%
Repco Home Finance Limited		156,000,000	32%	12,400,000	32%
		492,000,000	100%	39,200,000	100%
c) Shares allotted for consideration other than cash					
Out of the above 74,99,940 Equity shares are allotted to Repco Bank on 31/03/2010 for consideration other than cash.					
(d) Terms / rights attached to Equity Shares:					
The Company has only one class of Equity Share having a par value of Rs.10/- per share. Each holder of Equity Share is entitled to one vote per share.					

Dividend (if any) proposed by the board of directors is subject to the approval of the shareholders at the ensuing annual general meeting, except in the case of interim dividend. In the event of liquidation the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts in proportion to their shareholding.					
Note 3:	3				
<u>RESERVES AND SURPLUS</u>					
<u>a) STATUTORY RESERVE(UNDER SECTION 45IC OF RBI ACT)</u>					
Opening Balance			64,000,000		34,000,000
(+) Current Year Transfer			36,000,000		30,000,000
(-) Written Back in Current Year			-		-
Closing Balance			100,000,000		64,000,000
b) General Reserve					
Opening Balance			85,000,000		55,000,000
(+) Current Year Transfer			-		30,000,000
(-) Written Back in Current Year			-		-
Closing Balance			85,000,000		85,000,000
c. Surplus In Statement of Profit and Loss					
Opening balance			49,876,721		31,364,927
(+)Net Profit / (Loss) for the year			170,457,587		125,692,130
(-)Appropriations			-		-
(-) Transfer to Statutory Reserve			36,000,000		30,000,000
(-) Transfer to General Reserve			-		30,000,000
(-) Transfer to Proposed dividend 10% (5%)			-		39,200,000
(-) Transfer to Dividend Distribution tax			-		7,980,336
Closing balance			184,334,307		49,876,721
Total of Reserves and Surplus (a+b+c)			369,334,307		198,876,721

Note 4:				
Non-Current Liabilities				
LONG TERM BORROWINGS	4			
Secured				
Term Loan from Banks			664,565,047	338,885,183
* Long Term Borrowings and current maturities of long term borrowings from Banks are Secured by Hypothecation of Micro finance Receivables				
Unsecured				
Term Loans from Repco Bank			270,529,074	334,275,694
As per Balance Sheet			935,094,121	673,160,877
Note 5:				
LONG TERM PROVISIONS:	5			
Towards Non Performing advances			42,637,143	28,260,643
Towards Standard advances			23,424,694	16,382,846
other contingencies			400,000	
As per Balance sheet			66,461,837	44,643,489
Note 6:				
SHORT TERM BORROWINGS:	6			
Secured				
Loans repayable on Demand				
From Related parties - SODL from Repco Bank			2,198,494,056	1,543,671,692
As per Balance Sheet			2,198,494,056	1,543,671,692
*Short Term Borrowings from Repco Bank is Secured by Hypothecation of Micro finance Receivables				
Note 7:				
OTHER CURRENT LIABILITIES	7			
Current Maturities of Long Term Borrowings				
Secured				
Term Loans from Banks			792,968,421	371,609,989
Unsecured				
Term Loans from Repco Bank			64,245,860	56,112,989

Other Liabilities*		2,34,82,821	2,28,23,673
*There are no Micro and Small Enterprises to whom the company owes dues, which are outstanding for more than 45 days as of 31st March 2017. This information as required to be disclosed under Micro Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. There are no overdues to parties on account of principal amount and/or interest and accordingly no additional disclosures have been made.			
As per Balance sheet		88,06,97,102	45,05,46,651
Note 8:			
SHORT TERM PROVISIONS	8		
Employee benefits		2680445	-
Income Tax (Net of Advance Tax)		7176185	-
Proposed Dividend and tax thereon		-	4,71,80,336
As per Balance Sheet		98,56,630	4,71,80,336
Note 10:			
DEFERRED TAX	10		
Deferred Tax Assets:			
Provision towards Non performing advances/Standard Advances and other contingencies		1,80,36,561	1,54,50,219
Other timing Differences		9,27,648	-
Gross Deferred Tax Asset			
(A)		1,89,64,209	1,54,50,219
Deferred Tax Liabilities:			
Difference Between Written Down Value of Fixed Assets as per Companies act and as per Income tax Act.		14,35,856	14,48,245
Gross Deferred Tax Liability (B)		14,35,856	14,48,245
Net Deferred tax Asset/(Liability) (A-B)		1,75,28,353	1,40,01,974
As per Balance sheet		1,75,28,353	1,40,01,974

Note 11	11			
LONG TERM LOANS & ADVANCES				
(Un Secured & Considered Good excepting Non performing advances)				
Micro Finance Loans to Self Help groups			2,727,524,051	1,499,292,691
Rent Deposit			9,998,869	7,921,250
In the opinion of the Management, the current assets, Loans and Advances as stated in the Balance Sheet are realizable in the normal course of business				
As per Balance Sheet			2,737,522,920	1,507,213,941
Note 12:				
CASH AND CASH EQUIVALENTS	12			
Cash on Hand			152	132
Balances with Banks				
- Current Account			95,143,599	3,085,199
- Savings Bank account			79,016,035	32,168
As Per Balance Sheet			174,159,786	3,117,500
Note 13				
SHORT TERM LOANS & ADVANCES	13			
(Un Secured, considered good excepting Non performing advances)				
Current Maturities of Micro finance Loan			1,997,751,588	1,805,537,187
Current Maturities of Other advances			2,900,469	-
Prepaid expenses			1,790,881	375,457
Advances recoverable in Cash or in Kind or value to be received			1,271,533	540,835
Advance Tax/TDS (Net of provision for Income tax)			-	778,329
In the opinion of the Management, the current assets, Loans and Advances as stated in the Balance Sheet are realizable in the normal course of business.				
As per Balance sheet			2,003,714,471	1,807,231,808
Note 14				
OTHER CURRENT ASSETS				
Interest Accrued on Micro Finance Loans			338,737	301,157
As per Balance sheet			338,737	301,157

REPCO MICRO FINANCE LIMITED (Formerly Repco MSME Development and Finance Limited) NO:33 NORTH USMAN ROAD, T NAGAR, CHENNAI 600017			
Particulars	Note No	As at 31st March 2017 (Amt in Rs.)	As at 31st March 2016 (Amt in Rs.)
Note 15			
<u>Revenue from operations</u>	15		
Interest from Micro Finance Loan		722,308,453	504,454,606
Total		722,308,453	504,454,606
Note 16			
<u>Other income:</u>	16		
Recovery of bad debts written off		2,787,190	2,703,409
Interest on Bank Deposits		303,573	1,041,963
Interest on Income tax refund		-	398,790
Evaluation Fee		49,685,290	34,786,904
Others		754,700	205,359
Total		53,530,753	39,136,425
Note No.17			
<u>Employee benefit expenses:</u>	17		
Salaries & Allowances		118,006,216	82,315,657
Contribution to provident and other funds		3,655,981	-
Staff Welfare		8,268,108	2,983,006
Total		129,930,305	85,298,663
Note No.18			
<u>Finance Costs:</u>	18		
Interest on Term Loans		155,270,017	117,297,924
Interest on SODL/ Cash Credit		147,758,576	89,882,560
Others		9,979,268	-
Total		313,007,861	207,180,484
Note No.19			
<u>Other expenses :</u>	19		
Printing and Stationery		2,099,032	3,196,385
Office Expenses, Postage & Telegraph		1,956,555	1,629,433
Rent		15,035,195	10,572,682
Repairs and Maintenance - others		11,90,776	838,353
Telephone Charges		1,271,348	966,009
Electricity Charges		1,924,194	1,229,617
Advertisement Expenses		73,939	52,470
Remuneration to Auditors towards - Statutory audit		300,000	214,500

- Tax audit and tax representation		118,800	375,375
- Other Services		186,060	82,877
Professional & Legal Charges		2,550,552	3,299,757
Bad debts written off		5,567,084	2,385,345
Leased Line Charges		1,346,367	1,661,219
Bank Charges		801,089	26,561
Rates & Taxes		3,000	19,678
CSR Activities		739,750	353,130
Donations to Chief Minister Relief Fund		-	1,000,000
Other expenses		2,056,489	740,130
Total		37,220,230	28,643,522

FIXEDASSETS:**Note : 9**

REPCO MICRO FINANCE LIMITED (Formerly Repco MSME Development and Finance Limited) NO:33 NORTH USMAN ROAD, T NAGAR, CHENNAI 600017										
PARTICU- LARS	GROSS BLOCK			DEPRECIATION BLOCK				NET BLOCK		
	As on 1st April 2016	Additions	Dele- tions	As on 31st March 2017	As on 31st March 2016	For the year	Dele- tions	As on 31st March 2017	As on 31st March 2017	As on 31st March 2016
<u>Property, Plant & Equipment:</u>										
- Furniture and fittings	4,683,862	1,538,347	-	6,222,209	1,419,541	495,382	-	1,914,923	4,307,286	3,264,321
Furniture and fittings-Temporary Structures	10,602,010	4,621,876	-	15,223,886	10,114,666	4,390,782	-	14,505,448	718,438	487,344
Office equipments	625,976	900,327	-	1,526,303	301,497	194,902	-	496,400	1,029,903	324,479
Electrical equipments	790,433	101,878	-	892,311	213,385	70,174	-	283,559	608,752	577,048
Computer	23,254,286	5,046,608	-	28,300,894	10,864,439	6,429,603	-	17,294,042	11,006,852	12,389,847
Vehicles	1,389,317	182,618	-	1,571,935	348,207	227,996	-	576,203	995,732	1,041,110
Total	41,345,884	12,391,654	-	53,737,538	23,261,735	11,808,839	-	35,070,575	18,666,963	18,084,149
<u>Intangible Assets:</u>										
Software	750,293	-	-	750,293	621,055	122,415	-	743,470	6,823	129,238
Total	750,293	-	-	750,293	621,055	122,415	-	743,470	6,823	129,238
Total	42,096,177	12,391,654	-	54,487,831	23,882,790	11,931,254	-	35,814,044	18,673,787	18,213,387
Previous year	27,692,018	14,404,159	-	42,096,177	15,551,718	8,331,072	-	23,882,790	18,213,387	12,140,300

Clause 14 - Particulars of depreciation applicable as per the Income tax Act, 1961										
Block of assets	Rate of Depreciation	Opening written down value 1 April 2015	Additions made during the year		Deletion of Asset	Total cost	Depreciation for the Year			WDV as on 31.03.2017
			Put to use for <180 days	Put to use for >= 180 days			TOTAL Additions	More than 180 days	Less than 180 days	
Plant & Machinery (Vehicles)	15%	1,077,598	-	182,618	-	1,260,216	189,032	-	189,032	1,071,184
Furniture & Fixture	10%	3,546,006	425,683	1,112,664	-	5,084,353	465,867	21,284	487,151	4,597,202
Electrical Fittings, Electronic Equipments and office equipment	15%	1,013,815	241,059	761,146	-	2,016,020	266,244	18,079	284,324	1,731,696
Computer and Software	60%	6,973,690	4,155,376	891,232	-	12,020,298	4,718,953	1,246,613	5,965,566	6,054,732
Temporary Structure	100%	1,417,555	2,140,117	2,481,759	-	6,039,431	3,899,314	1,070,059	4,969,373	1,070,059
Total		14,028,664			-	26,420,318			11,895,446	14,524,872

Note:

1. The auditors have relied upon the Income tax records of the Company for the information regarding the opening written down value of the assets. For the classification of additions to assets, the auditors have relied upon the management's classification.
2. There are no adjustments on account of any Cenvat credit, foreign exchange fluctuation, subsidy/grant, receipt during the year.
3. In relation to additions to fixed assets, the date of installation and date of asset put to use are as certified by the Company.

REPCO MICRO FINANCE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDING MARCH 31, 2017

	Particulars	For the year ended March 31, 2017 (Amt in Rs.)	For the year ended March 31, 2016 (Amt in Rs.)
1	CASH FLOW FROM OPERATING ACTIVITIES		
	NET PROFIT BEFORE TAX	261,931,208	193,648,897
	Adjustments For:		
	Depreciation	11,931,254	8,331,072
	(Profit)/Loss on Sale of Fixed Assets	-	-
	Interest Earned on Deposits	-303,573	-1,440,753
	Bad debts written off	5,567,084	2,385,345
	Provision for Non-Performing Assets/Standard Assets	21,818,348	20,488,392
		39,013,113	29,764,056
	Operating Profit Before Working Capital Changes	300,944,321	223,412,953
	Changes in Working Capital		
	Increase/(Decrease) in Trade Payables	-	-
	Increase/(Decrease) in other current liabilities	659,148	16,055,763
	(Increase)/Decrease in Long term and short term loans & advances	-9,012,497	-3,382,339
	(Increase)/Decrease in other current assets	-37,580	605,041
	Increase/(Decrease) in current liabilities	2,749,630	-
	Operating Profit after Working Capital Changes	295,303,022	236,691,418
	Direct Taxes Paid	-87,893,000	-74,025,850
	Net Cash From Operations	207,410,022	162,665,568
	(Increase)/Decrease in Micro finance loans	-1,228,231,360	-322,781,996
	(Increase)/Decrease in Current maturities of Micro finance loans	-195,114,870	-825,942,103
	Net Cash Generated from operating activity (A)	-1,215,936,207	-986,058,531
2	Cash Flow From Investing Activities		
	Purchase of Fixed Assets	-12,391,654	-14,404,159
	Sale of Fixed Assets	-	-
	Subscription to Investments	-	-
	Interest Earned on Deposits	303,573	1,463,904
	Dividend received on Investments	-	-
	Net Cash Used in Investing Activities (B)	-12,088,081	-12,940,255

3 Cash Flow From Financing Activities		
Proceeds from Issue Share Capital(Net off of Issue Expenses)	100,000,000	-
Increase in Secured and Unsecured Loans(Net)	1,346,246,910	809,877,609
Dividends Paid(Including Dividend distribution tax)	-47,180,336	-17,003,689
Net Cash Used in Financing Activities (C)	1,399,066,574	792,873,920
Net Increase/Decrease in cash and cash equivalent (A+B+C)	171,042,286	-206,124,866
Cash and Cash Equivalents - Opening Balance (D)	3,117,500	209,242,365
Cash and Cash Equivalents - Closing Balance *	174,159,786	3,117,500
Net Increase/(Decrease) in Cash and Cash Equivalents (E-D)	171,042,286	-206,124,866
Note:		
Cash and cash equivalents consist of Cash on Hand, Balance with Banks. Cash equivalents included in Cash Flow Statement comprises the following Balance Sheet amounts:		
(i) Balances with banks		
- in Current accounts	95,143,599	3,085,199
in savings bank account	79,016,035	32,168
in deposit accounts with original maturity upto 3 months		-
(ii) Cash on hand	152	132
	174,159,786	3,117,500

For R.Subramanian And Company LLP
Chartered Accountants
FRW0041375/5200041

A.G.Venkatachalam
Director

R.S.Isabella
Managing Director

R.Prakash
Partner Membership No.205869

V.Balasubramaniam
Chief Financial Officer

Anup Kumar Gupta
Company Secretary

Place: Chennai
Date: 30.05.2017

REPCO MICRO FINANCE LIMITED

(Formerly Repo MSME Development and Finance Limited)

NO: 33, North Usman Road, T.Nagar, Chennai 600 017

NOTE 1:

CORPORATE INFORMATION

Repc Micro Finance Limited ("RMFL" / "the Company") was incorporated on 27th June 2007. The Company is a Non-Banking Finance Company - Micro Finance Institution (NBFC-MFI).

RMFL is predominantly engaged in the business of providing financial and other related support service to Self Help Group (SHG) with a view to enhance their income generation capabilities.

The company provides collateral free loans to self help groups and the repayment of the loans are by way of equated monthly installments.

The company continues to undertake the business of NBFC-MFI requiring the holding of Certificate of Registration (COR) under section 45-IA of the RBI act, 1934 and the company also fulfilled all conditions stipulated to be classified as NBFC-MFI.

Significant Accounting policies:

A. Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention method in accordance with the Generally Accepted Accounting Principles (GAAP) and the provisions of the Companies Act 2013 and Mandatory Accounting Standards as prescribed under section 133 of the Companies Act 2013 read with Rule 7 of the Companies (Accounts) Rules 2014. The accounting policies adopted in the preparation of financial statements are consistent with those followed in previous year.

The Company is a Non-Banking Finance Company - Micro Finance Institution (NBFC-MFI). The Company follows the prudential norms for income recognition, asset classification and provisioning as prescribed by the Reserve Bank of India for NBFC-MFI's.

B. Income Recognition:

- ❖ Interest income on Loans given is recognized under effective rate of interest method. Income on Non – Performing assets is recognized only when realized in accordance with the Reserve Bank of India Guidelines.
- ❖ Interest income on deposits is recognized on a proportionate basis taking into account the amount outstanding and the rates applicable.
- ❖ All other income is recognized on an accrual basis.
- ❖ Evaluation fee is recognized upfront when it becomes due.

C. Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known /materialise.

D. Cash Flow Statement

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

E. Provision for Non-Performing Assets/Performing Assets

Advances are classified into Performing and Non- Performing Assets. Provision for Performing and Non-performing assets are made in accordance with the Reserve Bank of India Guidelines.

F. Fixed Assets and Depreciation:

Fixed Assets are stated at cost less accumulated depreciation. Cost includes taxes, duties and other incidental expenses related to the acquisition and installation of the assets.

Depreciation on Fixed assets is provided on the straight line method over the useful life of assets estimated by the management. The Management estimates useful life of the Fixed Assets as follows:-

Nature of the Asset	Useful life (In Years)
Furniture and Fittings	10
Office Equipment	5
Electrical Equipment	10
Computer Software and electronic equipment	3
Temporary Structure (Partition work)	1
Vehicles	6.67

G. Impairment of Assets

Impairment loss, if any, is provided to the extent the carrying amount of assets exceeds their recoverable amount.

H. Borrowing Costs

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

I. Segment reporting

The accounting policies adopted for segment reporting are in line with the accounting policies of the company.

Revenue and expenses are identified to segments on the basis of their relationship to the operating activities of the segment. Revenue, expenses, assets and liabilities

which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis have been included under “Unallocable”

J. Earnings Per Share:

Basic earnings per share is computed by dividing the profit after tax (including the post- tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit after tax (including the post- tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date.

K. Taxes on Income:

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

Deferred Tax is recognized on timings difference being the difference between the taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantially enacted by the balance sheet date.

Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

L. Employee Benefits:

The company's contribution towards Employees Provident Fund Scheme is remitted to the Regional Provident Fund Commissioner and is charged to the profit & Loss Account on accrual basis.

M. Provisions and Contingencies:

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

N. Operating Cycle

Based on the nature of its activities, the company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

Note 20

Other Notes**a) CRAR**

Items	Current Year	Previous Year
i) CRAR (%)	17.70	17.88
ii) CRAR-Tier I capital (%)	17.70	17.88
iii) CRAR-Tier II capital (%)	---	---

b) Exposures**(i) Exposure to Real Estate Sector**

Category		Current Year	Previous Year	
a)	(i) Direct exposure	Nil	Nil	
		Residential Mortgages-	Nil	Nil
		Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented ; (individual housing loans upto to Rs.15 lakhs may be shown separately)	Nil	Nil
	(ii) Commercial Real Estate -	Nil	Nil	
		Lending secured by mortgages on commercial real estate (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.) Exposure would also include non-fund based (NFB) limits;	Nil	Nil
	(iii) Investment in Mortgage Backed Securities (MBS) and other securitised exposures -	Nil	Nil	
		a. Residential,	Nil	Nil
b. Commercial Real Estate.		Nil	Nil	
b)	Indirect exposure			
	Fund based and non-based exposures on National Housing Bank (NHB) and Housing Finance companies (HFCs)	Nil	Nil	

c) Asset Liability Management.

Maturity pattern of certain items of assets and liabilities: (in lakh)

	1 day to 30/31 days (one month)	Over one month to 2 months	Over 2 months upto 3 months	Over 3 months to 6 months	Over 6 months to 1year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Liabilities									
Borrowings from bank	22748.80	718.01	844.27	2287.95	3959.05	9350.94	-	-	39908.02
	(15788.65)	(352.52)	(353.57)	(1065.22)	(2153.60)	(5484.60)	(1247.39)	-	(26445.55)
Market Borrowings	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Assets									
Advances	2146.29	1814.39	1795.83	5153.32	9096.70	27275.24	-	-	47281.77
	(1602.29)	(1581.14)	(1577.19)	(4598.73)	(8418.54)	(15270.41)	-	-	(33048.30)
Investments	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-

d) Other disclosures as per RBI Guidelines

	Liabilities side:	Amount Rs. In Lakhs	Amount Rs. In Lakhs
(1)		Amount outstanding	Amount overdue
	Loans and advance availed by the non-banking financial company inclusive of interest accrued thereon but not paid:		
	(a) Debentures : Secured	Nil [Nil]	NIL [Nil]
	:Unsecured	Nil [Nil]	NIL [Nil]
	(other than falling within the meaning of public deposits)		
	(b) Deferred Credits	Nil [Nil]	Nil [Nil]
	(c) Terms Loans	17923.08 [11008.82]	Nil [Nil]
	(d) Inter - corporate loans and borrowing	Nil [Nil]	Nil [Nil]
	(e) Commercial paper	Nil [Nil]	Nil [Nil]
	(f) Other Loans (specify nature)		
	(SODL from Repco Bank Ltd)	21984.94 [15436.72]	Nil [Nil]

	Asset Side:	Amount (Rs.)
		Amount Outstanding (Rs In Lakhs)
(2)	Break - up of Loans and Advances including bills receivable (other than those included in (4) below):	
	(a) Secured	Nil Nil
	(b) Unsecured	47281.77 [33048.30]
	Please see Note 1 below	
(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:	Nil Nil
	(a) Financial lease	Nil Nil
	(b) Operating lease	Nil Nil
	(ii) Stock on hire including hire charges under sundry debtors:	Nil Nil
	(a) Assets on hire	Nil Nil
	(b) Repossessed Assets	Nil Nil
	(iii) Other loans counting towards AFC activities	Nil Nil
	(a) Loans where assets have been repossessed	Nil Nil
	(b) Loans other than (a) above	Nil Nil
(4)	Break- up of Investments:	Nil Nil

(5)	Borrower group - wise classification of assets financed as in (2) and (3) above: please see Note 2 below			
	Category	Amount net Provisions		
		Secured	Unsecured	Total
	1. Related parties	Nil	Nil	Nil
	(a) Subsidiaries	Nil	Nil	Nil
	(b) Companies in the same group	Nil	Nil	Nil
	(c) other related parties	Nil	Nil	Nil
	2. Other than related parties	Nil	Nil	Nil
	Total	Nil	Nil	Nil
(6)	Investors 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 NAC	Book value (Net of provisions)
Category		
1. Related parties	NIL	NIL
(a) Subsidiaries	NIL	NIL
(b) Companies in the same group	NIL	NIL
(c) Other related parties	NIL	NIL
2. Other than related parties	NIL	NIL
Total	NIL	NIL

(7) Other information

	Particulars	Amount (Rs. In lakhs)	
		2016-17	2015-16
(1)	Gross Non- Performing Assets	426.37	282.61
	(a) Related Parties	NIL	NIL
	(b) Other than related parties	426.37	282.61
(2)	Net Non - Performing Assets	NIL	NIL
	(a) Related Parties	NIL	NIL
	(b) Other than related parties	NIL	NIL
(3)	Assets acquired in satisfaction of debt	NIL	NIL

The total advances amount and Gross non performing advances is net off of advances technically written off aggregating to Rs.30.58 Lakhs, [506.29 Lakhs].

e) **Related Party Disclosure:****Key Management personnel:**

- 1) Smt R S Isabella (Managing Director – (from 06-06-2016)
- 2) Shri. A.G. Venkatachalam (Director)

Persons having significant influence:

1. Repco Bank Limited
2. Repco Home Finance Limited

(Amount in Lakhs)

Nature of Transactions	Key management Personnel		Persons having significant influence			
	Director		Repco Bank		Repco Home Finance Limited	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Share Capital						
Equity Shares	-	-	3360.00	2680.00	1560.00	1,240.00
Balance in savings Bank account maintained with the promoter	-	-	790.16	0.32	-	-
Balance in SODL/Cash Credit account maintained with the promoter	-	-	21984.94	15436.71	-	-
Unsecured Loans availed from the promoter/ Balance outstanding	-	-	3347.74	3903.87	-	-
Remuneration*	-	-	-	-	-	-
Reimbursement of establishment cost	-	-	-	-	-	-
Interest Income received from the Repco Bank						
- Savings Bank	-	-	2.83	0.0018	-	-
Interest paid to Repco Bank						
- Cash Credit	-	-	1477.59	898.83	-	-
- Unsecured Loans	-	-	402.49	461.51	-	-

*No remuneration has been paid to the Managing director during the current year and also in the previous year.

- f) The company is primarily engaged in the business of micro finance in India. All the activities of the company revolve around the main business. As such there are no separate business and geographic reportable segments as per AS – 17 “Segment Reporting”.

g) Disclosure Pursuant to RBI Notification DNBR (PD) CC No.002/03.10.001/2014-15 dated November, 2014.

(i) Customer Complaints:

No of complaints pending as on 01.04.2016	0
No of complaints received during the year	1
No of complaints redressed during the year	1
No of complaints pending as on 31.03.2017	0

(ii) Details of Registration with Regulators:

SI No	Name of Registration Authority	Registration No
1	Reserve Bank of India	N-07-00780
2	Ministry of Company affairs	U74900TN2007PLC64126

(iii) Ratings assigned by Credit rating agencies:

Particulars	As at 31 March 2017	As at 31 March 2016
Commercial paper	NA	NA
Working Capital Facility (Cash Credit/WCDL)	NA	NA
Long-Term bank facilities	ICRA ----"BBB"	ICRA – "BBB-"
	CARE ---- ""BBB+""	-
Long-Term Non-Convertible Debentures	NA	NA
MFI Grading	ICRA ----- "M3+""	ICRA – "M3"
	CARE ----- "M2""	
Subordinated Debt	NA	NA
Perpetual Debt	NA	NA

(iv) Concentration of Advances, Exposures & NPA's:

Particulars	As at 31 March 2017	As at 31 March 2016
Total Advances and Exposures to twenty largest borrowers	Refer Note below	Refer Note below
Total Exposure to top four NPA accounts	Refer Note below	Refer Note below
Percentage of Advances and Exposures to twenty largest borrowers to Total Advances of the NBFC	Refer Note below	Refer Note below

The Company operates in the business of microfinance providing collateral free loans for fixed amounts ranging from Rs.25,000 to Rs.1,00,000 to women engaged in various income generating activities. As at 31 March 2017, the Company has provided loans to more than 2.29 lac women and hence, the disclosure relating to concentration to advances, exposures and NPA's are not applicable to the Company.

(v) **Sector-wise NPAs as on March 31, 2017**

Sl. No	Sector	Percentage of NPAs to Total Advances in that sector as on	Percentage of NPAs to Total Advances in that sector as on
		31-Mar-17	31-Mar-16
1	Agriculture & allied activities	NA	NA
2	MSME	0.85%	0.86%
3	Corporate borrowers	NA	NA
4	Services	NA	NA
5	Unsecured personal loans	NA	NA
6	Auto loans (commercial vehicles)	NA	NA
7	Other loans	NA	NA

(vi) **Movement of NPA:**

Particulars	As at 31 March 2017 (Rs. In lakhs)	As at 31 March 2016 (Rs. In Lakhs)
(i) Net NPAs to Net Advances (%)	NIL	NIL
(ii) Movement of NPAs (Gross)		
(a) Opening balance	282.61	188.11
(b) Additions during the year (Net off reductions)	143.76	94.50
(c) Closing balance	426.37	282.61
(iii) Movement of Net NPAs		
(a) Opening balance	NIL	NIL
(b) Additions during the year	NIL	NIL
(c) Reductions during the year	NIL	NIL
(d) Closing balance	NIL	NIL
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	282.61	188.11
(b) Provisions made during the year (net off written back)	143.76	94.50
(d) Closing Balance	426.37	282.61

(vii) **Disclosures of Fraud Pursuant to Reserve Bank of India Notification DNBS.PD.CC. No. 256 /03.10.042 / 2011-12 dated 2 March 2012:**

Category	More than 1 Lakh		Less than 1 Lakh	
	No of Instances	Amount (Rs.)	No of Instances	Amount (Rs.)
Embezzlement of cash by employees	1	10,30,342	-	-
Total	1	10,30,342	-	-

Note: Out of the above cash embezzled by the employee, the balance outstanding as on 31-03-2017 is Rs. 3, 82,160.

(viii) **CSR Activities**

The gross amount required to be spent by the company during the year 16-17 as CSR expenditure under section 135 of the Companies Act of 2013 is Rs 25.10 lakhs (14.94 lakhs) being 2% of the average profits after tax of past three financial years. The amount is required to be spent on qualifying activities as CSR expenditure as per Schedule VII of the Companies Act 2013.

During the financial year 16-17 the company has spent sums aggregating to Rs.7.39 lakhs towards CSR activities. The detail of the disclosure as per the guidelines issued by the Institute of Chartered Accountants of India is as follows:

(a) Gross amount required to be spent by the company during the year is Rs 25.10 lakhs (14.94 Lakhs)

(b) Amount spent during the year:

Particulars	In cash (Rs in lakhs)	Yet to be paid in Cash (Rs in lakhs))	Total(Rs.)
(ix) Construction or acquisition of any asset	-	-	-
ii) Other purpose other than (i)	7,39,750	0	7,39,750
TOTAL	7,39,750		

(ix) **Earnings per Share**

Particulars	For the year ended 31/03/2017	For the year ended 31/03/2016
Profit after Tax - Rs. in Lakhs	1704.57	1256.92
Weighted Average Number of Equity Shares (Nos.)	40104110	39200000
Earnings Per Share		
Basic - in Rs.	4.25	3.21
Diluted - in Rs.	4.25	3.21
Face Value Per Share (Rs.)	10.00	10.00

(x) **Commitments and contingencies**

There are no Commitments and Contingencies as at 31-03-17 as well as for 31/03/2016 for the company.

(xi) **Statutory Reserve**

As per Section 45-IC of the Reserve Bank of India Act, 1934, the Company is required to create a reserve fund at the rate of 20% of the net profit after tax of the Company every year. Accordingly, the Company has transferred an amount of Rs.360.00 Lakhs (Previous Year – Rs. 300.00 Lakhs), out of the net profit after tax for the year ended 31 March 2017 to Statutory Reserve.

(xii) There is no Expenditure incurred in Foreign Currency.

(xiii) There is no amount to be reflected under payable to Investor Protection Fund.

(xiv) Previous year's figures have been regrouped and rearranged wherever necessary to conform to current year's classification.

(xv) Information required in terms of notification number 244 issued by Ministry of Corporate Affairs dated March 30, 2017 is as under:

(Rs in Lakhs)

Particulars		Specified Bank notes (SBN)	Other Denomination Notes	TOTAL
Closing Balance as on 8th November 2016		-	0.001	0.001
Add	Withdrawal from bank accounts	-	7.726	7.726
Add	Receipts from permitted transaction	-	4,449.007	4449.007
Add	Receipts from non permitted transaction	1,402.915	-	1402.915
Less	Paid for permitted transactions	-	7.726	7.726
Less	Paid for non permitted transactions	-	-	-
Less	Deposited in bank	1,402.915	4,449.007	5,851.922
Closing Balance as on 30th December 2016		-	0.001	0.001

** All the receipts from 9th November 2016 to 30th December 2016 were deposited directly by customers into bank. The closing balance held as on 30-12-16 doesnot contain any SBNs.

For R.Subramanian And Company LLP
Chartered Accountants
FRW0041375/5200041

A.G.Venkatachalam
Director

R.S.Isabella
Managing Director

R.Prakash
Partner Membership No.205869

V.Balasubramaniam
Chief Financial Officer

Anup Kumar Gupta
Company Secretary

Place: Chennai
Date: 30.05.2017

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that 10th Annual General Meeting of Repco Micro Finance Limited will be held at "No. 634 , 2nd Floor, Karumuttu Centre, Anna Salai, Nandanam, Chennai-600035 on September 28, 2017 at 11.00 A.M to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statement of the company for the Financial Year ended 31st March, 2017, the Reports of Directors and Auditor's thereon.
2. To declare dividend on the equity shares of the Company for the financial year ended 31st March, 2017.
3. To appoint a director in place of Mr.P. Mahalingam, who retires by rotation and being eligible, offers himself for re-appointment.
4. Appointment of Auditors.

To consider and if thought fit , to pass with or without modification(s), the following resolution as ordinary resolution, pursuant to section 139 to 142 of the Companies Act, 2013 read with Companies (Audit and Auditors) rules, 2014:

"RESOLVED THAT pursuant to the provisions of the section 139 and other applicable provisions, if any of the Companies Act, 2013 and the rules framed there under, as amended from time to time, M/s. P.K.Vijayaraghavan & Company, be and hereby appointed as Auditors of the Company from the conclusion of this annual general meeting till the conclusion of 15th Annual General Meeting at such plus applicable and re-imburement of out of pocket expenses in connection with the audit as the Board of Directors may fix in this behalf"

SPECIAL BUSINESS

5. **Appointment of Mr. Gadiparthi Sudhakar as Independent Director of the Company.**
To consider and if thought fit, to pass the following resolution as an Ordinary Resolution

"RESOLVED THAT pursuant to Sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and qualification of Directors) Rules, 2014 (including any statutory modification(s) or enactment(s) thereof for the time being in force), Mr. Gadiparthi Sudhakar (DIN:03552775) who was appointed as an Additional Director in the capacity of Independent Director of the company by the board of Directors effective from August 30, 2017 and who holds office till the date of this Annual General meeting in terms of section 161 of the Companies Act, 2013 and in respect of whom the company has received a notice in writing from a member under section 160 of the Companies Act, 2013 signifying his intention to propose Mr. Gadiparthi Sudhakar (DIN: 03552775), as a candidate for the office of director of the company , be and is hereby appointed as an Independent Director for a period up to 30th September, 2020 with effect from August 30, 2017 and the term shall not be subject to retirement by rotation.

By order of the Board,
For Repco Micro Finance Limited,
Sd/-

Smt. R.S Isabella
(Managing Director)

Date : 04.09.2017

Place : Chennai.

NOTES:-

- a) An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to Special Business to be transacted at the Meeting under Item No. 5 is annexed hereto.
- b) A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself / herself and the proxy need not be a member. The proxies should, however, be deposited at the registered office of the company not later than 48 hours before the commencement of the meeting.
- c) The dividend, after declaration, will be paid to those members of the Company, whose names stand on the register of members on May, 30, 2017.
- d) Shareholders desiring any information as regards the accounts are required to write to the company at least seven days in advance of the meeting so that the information, to the extent practicable, can be made available at the meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013.

Item No. 5.

Mr. Gadiparthi Sudhakar (DIN :03552775) was appointed as an Additional (Independent) Director of the Company with effect from August 30, 2017 by the Board of Directors. In terms of Section 161(1) of the Companies Act, 2013, Mr. Gadiparthi Sudhakar holds office up to the date of this Annual General Meeting but is eligible for the appointment as a Director. The Company has received a Notice from him in writing along with requisite deposit under Section 160 of the Act, proposing his candidature for the office of Director.

Mr. Gadiparthi Sudhakar has given a declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Act.

The Board recommends the passing of the Ordinary Resolution as set out in the Item no. 5 of the Notice for the appointment of Mr. Gadiparthi Sudhakar as Independent Director, not liable to retire by rotation

Except Mr. Gadiparthi Sudhakar, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.5

Brief profile of Mr. Gadiparthi Sudhakar:

Mr. Gadiparthi Sudhakar, aged 61 is holding M.Sc and CAIIB. He is having more than 30 years of managerial experience as a Bank Manager in most of the busy branches of Indian Bank. He was General Manager and zonal head of New Delhi the largest Zone of the Indian Bank covering Delhi, Madhya Pradesh and Rajasthan states with 110 branches and with a total business of Rs. 30,000 Crores , performed exemplarily by reaching all business targets.

As the Zonal Head of Coimbatore covering 84 branches, he has handled one of the important zone of Tamil Nadu with large number of high scaled borrowers having facilities sanctioned by the Corporate Office.

By order of the Board,
For, Repco Micro Finance Limited,
Sd/-
Smt. R.S Isabella
(Managing Director)

Date: 04.09.2017

Place: Chennai



ATTENDANCE SLIP: 10th ANNUAL GENERAL MEETING

I/We hereby record my/our presence at the 10th Annual General Meeting of the Company held on Thursday, September 28, 2017 at 11.00 A.M, at Corporate Office: No 634, 2nd Floor, Karumuttu Centre, Anna Salai, Chennai- 600 017.

Name of the Shareholder:

Name of the Proxy or Company Representative:

Signature of Shareholder(s)

.....

Proxy or Company's Representative

Notes:

1. A Proxy attending on behalf of Shareholder(s) should write the name of the Shareholder(s) from whom he holds Proxy.
2. Members are requested to bring their copy of the Annual Report to the Meeting as additional Copies of the same will not be made available at the Meeting.

Reg. Folio No.....

No. of shares held.....

PROXY FORM

[Pursuant to Section 105 (6) of the Companies Act, 2013 read with Rule 19 (3) of the Companies (Management and Administration) Rules, 2014]

TENTH ANNUAL GENERAL MEETING

Name of the member(s): _____

Registered Address: _____

Email id: _____

Folio No.: _____

I/We, being the member(s) of _____ shares of the above named Company, hereby appoint

1. Name: _____

Address: _____

Email Id: _____

Signature: _____, or failing him/her

2. Name: _____

Address: _____

Email Id: _____

Signature: _____, or failing him/her

As my / our proxy to attend and vote (on a poll) for me / us and on my/ our behalf at the Tenth Annual General Meeting of the Company, to be held on Thursday, September 28, 2017 at 11.00 A.M. at No. 634, 2nd Floor Karumuttu Centre, Anna Salai, Chennai and any adjournment thereof in respect of such resolutions as are indicated below:

Resolu- tion No.	Description of Resolution		
		For	Against
Ordinary Business			
1	To receive, consider and adopt the Audited Financial Statement of the company for the Financial Year ended 31 st March, 2017, the Reports of Directors and Auditor's thereon.		
2	To declare dividend on Equity Shares for the FY 2016-17		
3	To appoint a Director in the place of Mr. P. Mahalingam, who retires by rotation and eligible, offer himself for re-appointment.		
4	Appointment of Auditors		
5.	Appointment of Mr.GadiparthiSudhakar as Independent Director		

Signed this..... Day of, 2017

Signature of Shareholder: _____ Affix Revenue Stamp

Signature of First Proxy holder

Signature of Second Proxy holder

NOTE:

- THIS FORM OF PROXY, IN ORDER TO BE EFFECTIVE, SHOULD BE DULY COMPLETED AND DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, NOT LESS THAN FORTY-EIGHT (48) HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**

LIST OF BRANCHES
As on 31.03.2017

S.No	Name of the Branch
1	Adyar
2	Ariyalur
3	Attur
4	Chengalpet
5	Coimbatore
6	Coonoor
7	Cuddalore
8	Devakottai
9	Dharmapuri
10	Dindigul
11	Ennore
12	Erode
13	Gobichettipalayam
14	Gudalur
15	Hosur
16	Kancheepuram
17	Karaikudi
18	Karur
19	Kotagiri
20	Kovilpatti
21	Krishnagiri
22	Kumbakonam
23	Madurai
24	Manali
25	Mannargudi
26	Mathukur
27	Mayiladuthurai
28	Mettupalayam
29	Nagapattinam
30	Nagercoil
31	Namakkal
32	Ooty
33	Padi
34	Pallavaram
35	Pandalur
36	Pattukottai
37	Perambalur
38	Perungudi

S.No	Name of the Branch
39	Pollachi
40	Poonthottam
41	Porur
42	Pudukottai
43	Puzhal
44	Rajapalayam
45	Rasipuram
46	Red Hills
47	Royapuram
48	Salem
49	Samayapuram
50	Sembanarkoil
51	Sirkali
52	Sivagangai
53	T. Nagar
54	Tambaram
55	Tanjore
56	Theni
57	Thenkasi
58	Thiruvottriyur
59	Thudiyalur
60	Thuraiyur
61	Tiruchengode
62	Tirunelveli
63	Tiruppur
64	Tiruvallur
65	Tiruvannamalai
66	Tiruvarur
67	Tondiarpet
68	Trichy
69	Tuticorin
70	Valliyur
71	Valparai
72	Vellore
73	Villupuram
74	Virudhunagar
75	Vyasarpadi