Chaitanya

Improving Lives

ANNUAL REPORT
2015-2016

Chaitanya India Fin Credit Private Limited
Regd. Office: No. 312, 14 – P, Skyline Surabhi Apartment,
Vidyapeeta Main Road, BSK 3rd Stage, Bangalore 560085.
Phone: 080 – 26750010, Fax: 080-26756767, Email: corporate@chaitanyaindia.in

CORPORATE INFORMATION

Board of Directors

1. **K. S. Ravi**
   Independent Director

2. **R. Nanda Kumar**
   Independent Director

3. **Ramesh Sundaresan**
   Nominee Director

4. **A. Narasimha**
   Non Executive Director

5. **Samit S. Shetty**
   Managing Director

6. **Anand Rao**
   Joint Managing Director

Head office Address

No. 98, 3rd Floor, Sirsi Circle, Mysore Road, Chamarajapet, Bangalore – 560018.
Tel: 080 – 26750010
Fax: 080 – 26756767
Email: admin@chaitanyaindia.in
Website: www.chaitanyaindia.in

Statutory Auditors

M/s Ramesh Ashwin & Karanth
Premier Presidency, #35/17,
1st Floor, Langford Road,
Opp. St. Joseph College,
Bangalore – 560025
Tel: 080 – 41464630

LENDERS

SL No.	Institution
1	Dena Bank
2	Corporation Bank
3	Industrial Development Bank of India
4	State Bank of India
5	South Indian Bank
6	Ratnakar Bank Limited
7	Union Bank of India
8	Canara Bank
9	State Bank of Mysore
10	Vijaya Bank
11	Dhanalaxmi Bank
12	Bank of Maharashtra
13	Karnataka State Financial Corporation (KSFC)
14	National Bank for Agriculture and Rural Development (NABARD)
15	Industrial Credit and Investment Corporation Financial Institution (ICICI)
16	Development Credit Bank (DCB)
17	Kotak Mahindra Bank
18	Karnataka Bank
19	Kaveri Grameena Bank
20	MAS Financial Services Ltd
21	IFMR Capital
22	Maanaveeya Development & Finance Pvt. Ltd
23	Habitat Micro Build India
24	Caspian Impact Investment Pvt Ltd
25	Ananya Finance
26	Manappuram Finance Ltd
27	Religare Finvest
28	Capital First Securities Ltd
29	AU Financiers Ltd

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DIRECTORS REPORT

The Members,

Your Directors are pleased to present the Seventh Annual Report of your Company together with the Audited Statement of Accounts and the Auditors' Report of your Company for the financial year ending 31st March 2016. The summarized financial results for the year ended 31st March 2016 are as under.

Financial Highlights

Year Ended 31st March	Amount in Rs. 2016	Amount in Rs. 2015
Operating Income	354,406,890	189,424,170
Other Income	17,992,972	11,685,462
Total Income	**372,399,861**	**201,109,632**
Less Expenditure		
Finance Cost	193,896,454	103,696,905
Personnel Cost	88,035,677	48,341,538
Administrative Cost	51,929,030	30,045,221
Depreciation	5,835,575	3,940,576
Bad Debts	204,899	113,321
Provision for Loan Assets as Per RBI Guidelines	9,807,228	4,217,197
Profit/(Loss) Before Tax	**22,690,998**	**10,754,873**
Less Income Tax	11,825,537	48,40,614
Less Deferred Tax	(4,058,887)	(24,24,339)
Profit/(Loss) After Tax	**14,924,348**	**8,338,958**

- The Company's total income for the year ended 31st March 2016 has increased to Rs**. 37.23 Crores** from Rs. **20.11 Crores** in the previous year, an increase of 85 % for the year.
- During the year, the Company delivered a Profit after Tax (PAT) of Rs.**1.49 Crore**, higher than last year's PAT of Rs. **0.83 Crore**, an increase of **79%** for the year.

Operational Highlights

Year Ended 31st March	2016	2015
Number of Branches	83	47
Number of Active Borrowers	1,30,688	69,995
Number of Employees	785	414
Portfolio Outstanding (in Rs. Crores)	216.78	99.07

Deposits
As on 31st March 2016 the Company does not have any public deposits.

Dividends
The Company has not made any provision for payment of dividend for the year under consideration.

Credit Rating
ICRA has assigned the company a grading of M2 in October 2015.

Capital Adequacy Ratio
The capital adequacy of ratio was 18.20% as of 31st March 2016 as against the minimum capital adequacy requirements of 15% by RBI.

No. of Meetings Held:

During Financial Year 2015-16, the Board of Directors met thirty-three (33) times on following Dates and Directors attendance is also shown below:

Sl No.	Date of Board Meeting	No. of Directors Present	Sl No.	Date of Board Meeting	No. of Directors Present
1	09/04/2015	2	18	22/12/2015	3
2	27/05/2015	2	19	28/12/2015	2
3	10/06/2015	5	20	29/12/2015	2
4	18/06/2015	3	21	18/01/2016	3
5	24/06/2015	3	22	25/01/2016	3
6	16/07/2015	3	23	01/02/2016	3
7	28/07/2015	3	24	11/02/2016	3
8	24/08/2015	3	25	15/02/2016	3
9	09/09/2015	3	26	16/02/2016	3
10	18/09/2015	5	27	24/02/2016	3
11	22/09/2015	3	28	29/02/2016	3
12	30/09/2015	3	29	03/03/2016	3
13	06/11/2015	3	30	05/03/2016	6
14	20/11/2015	3	31	10/03/2016	3
15	30/11/2015	3	32	16/03/2016	6
16	05/12/2015	6	33	28/03/2016	3
17	11/12/2015	3			

Details of Directors/KMP who have appointed or resigned during the year:

1. Mr. Samit S Shetty was appointed as Managing director and Mr. Anand Rao was appointed as Joint Managing Director on 10th June 2015.
2. Mr. Ramesh Sundaresan was appointed as Nominee Director by M/s. Chaitanya Rural Intermediation Development Services private limited (Holding Company) on 10th June 2015.
3. Mr. Srinivasan C V was appointed as Chief Financial Officer on 5th March 2016.

Audit Committee

Committee Composition

1. Mr. K S Ravi- Chairman
2. Mr. Ane Narasimha
3. Mr. Nandakumar

Meetings held:

During the Financial year 2015-2016, the committee met five times and the meetings of the Committee were held On 4th June 2015, 18th September 2015, 5th December, 2015, 5th March 2016 and 14th March 2016.

Terms of Reference:

The Audit Committee shall act in accordance with the terms of reference specified in writing by the Board which shall inter alia, include

i. Evaluation of internal financial controls and risk management systems;
ii. The recommendation for appointment, remuneration and terms of appointment of auditors of the company;
iii. Review and monitor the auditors independence and performance, and effectiveness of audit process;
iv. Examination of the financial statement and the auditor's report thereon;
v. Approval or any subsequent modification of transactions of the company with related parties;
vi. Scrutiny of inter-corporate loans and investments;
vii. Valuation of undertakings or assets of the company, wherever it is necessary;

Risk Management Committee

Committee Composition

1. Mr. R Nanda Kumar - Chairman
2. Mr. Samit S Shetty
3. Mr. Ane Narasimha
4. Mr. Ramesh Sundaresan

Meetings Held:

During the Financial year 2015-2016, the committee met two times and the meetings of the committee were held on 2nd June 2015 and 5th March 2016.

Terms of Reference:

i. To monitor and review the risk management plan;
ii. To review operational risk, information technology risk and integrity risk;
iii. To take strategic actions to mitigate the risk associated with the nature of the business;
iv. To appraise the Board of Directors at regular intervals regarding the process of putting in place a progressive risk management system, risk management policy and strategy;
v. To lay down procedure to inform Board members about the risk assessment and minimization procedures.

Nomination and Remuneration Committee

Committee composition

1. Mr. Ramesh S- Chairman
2. Mr. K S Ravi
3. Mr. R Nanda Kumar
4. Mr. Ane Narasimha

Meetings Held:

During the Financial year 2015-16, the committee met once and the meeting of the committee was held on 4th March 2016.

Terms of reference:

i. To formulate a criteria for determining qualifications, positive attributes and independence of a Director.
ii. To ensure 'fit and proper' status of proposed/ existing Directors
iii. To recommend to the Board the appointment and removal of Senior Management.
iv. To carry out evaluation of Director's performance and recommend to the Board appointment/

removal based on his / her performance.

v. To recommend to the Board on policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.

Finance Committee

Committee composition

1. Samit S Shetty
2. Anand Rao

Pursuant to Section 179 of the Companies Act 2013, a Finance committee of Board of Directors is constituted to carry day to day operations.

Powers delegated:

1. Clause (d) to (f) of section 179 of The Companies Act 2013:
   (d) To borrow monies;
   (e) To invest the funds of the company;
   (f) To grant loans or give guarantees or provide security in respect of loans
2. To authorize sell-out / buy out , assignment and securitisation transactions.
3. To accept appointment / empanelment as BC (Business Correspondent), Micro Insurance agent
4. To effect change In interest rates charged on loans given to our customers as and when required to comply with RBI margin cap compliance
5. To avail all banking facilities such as, opening of accounts, online / net banking, CMS, Trade finance, ECS, closing of accounts and any other such products offered by banks, on behalf of the company and also authorized to sub- delegate the powers to any of the officers of the company.
6. To appoint authorized signatories or remove signatories for operating the companies banking facilities (including online/ net banking)

Names of Companies which have become or ceased to be its subsidiaries, Joint ventures or associate companies during the year - NIL

Material Changes and commitments, if any, affecting the financials:

1. **Details of Fraud noticed during the year:**

For the year ended 31st March 2016

Category	No of Instances	Amount RS.
Embezzlement of cash by Employee	1	81,755

NOTE: Out of the above an amount of Rs. 50,000 has been recovered by the company.

OTHER DISCLOSURES:

1. **ISSUE OF EQUITY SHARES THROUGH RIGHTS ISSUE**

   M/s. Chaitanya India Fin Credit Private Limited issued 10,75,000 equity shares of Rs.10/- each in the capital of the Company be and is hereby allotted at Rs. 10/- each at premium of Rs.18, to below-mentioned allotee in physical form.

Name of the Shareholder	Address	No. of Shares	Date of Allotment
Chaitanya Rural intermediation Development Services Private limited	312, 14-P, Sky Line Surabhi Apartments, Vidyapeeta Main, Kathriguppe, Bangalore - 560085	10,75,000	9th April 2015
Total		**10,75,000**	

2. **ISSUE OF NON CONVERTIBLE DEBENTURES THROUGH PRIVATE PLACEMENT**

   M/s. Chaitanya India Fin Credit Private Limited has allotted of Rated Secured Listed Redeemable Non Convertible Debentures of Rs. 1,000,000/- each through private placement.

Sl No.	Investor's Name	Investor's Address	Number of debentures	Face value (in Rs.)	Total amount	Date of allotment
1	Hinduja Leyland Finance Ltd.	1 Sardar Patel road, Guindy, Chennai, Tamil Nadu- 600032	100	10,00,000	1000,00,000	24.06.2015
2	IFMR Fimpact Long Term Multi Asset Class Fund	10th Floor, IIT Madras Research park, Chennai-600113	50	10,00,000	500,00,000	15.02.2016
3	IFMR Fimpact Long Term Multi Asset Class Fund	10th Floor, IIT Madras Research park, Chennai-600113	50	10,00,000	500,00,000	16.02.2016

3. **ISSUE OF EMPOLYE STOCK OPTION SCHEME (ESOP)**

M/s. **Chaitanya** Rural Intermediation Development Services Private Limited has planned to grant Employee Stock Option (ESOP) through Trust route to the permanent employees including the employees of subsidiary company. The company has established EMPLOYEE STOCK OPTION PLAN (ESOP) for compensation to its employees, being Chaitanya ESOP Plan 2015. The said scheme has been approved by the Board in the Board meeting held on 30th October 2015 and by the shareholders in the Extra Ordinary general meeting held on 25th November 2015.

4. **ALTERATION IN OBJECT CLAUSE OF MEMORANDUM OF ASSOCIATION**

It was proposed to extend the area of NBFC MFI activities and to act as Micro Insurance agent or Bank correspondent. Hence the object clause of the company was amended in the extra ordinary general Meeting held on 14th OCTOBER, 2015.

I. **Existing point Object clause IIIA(2), be and here by is altered and read as follows:**
To act as facilitator/Bank Correspondent/Micro Insurance agent for provision of micro finance, micro credit, micro insurance, savings and other financial services by acting as intermediaries between Bank, Financial Institutions, Insurance companies, individuals, corporate bodies or other entities (whether incorporated or not), of one part, with the Self Help Groups (SHG)/Joint Liability Group(JLG), members of SHGs/JLGs, discrete individuals or small groups which are in the process of forming SHGs/ JLGs and /or other micro-credit aspirants, and to assist, execute, provide consultancy services and promote and finance such programmes, either directly or through an independent agency and/or in any other manner.

II. **Existing point Object clause IIIA(3), be and here by is altered and read as follows:**
To undertake, carry out, promote and sponsor social and economic development programs as well as for promotion of livelihoods of women's and men's Self Help Groups (SHG)/Joint Liability Group(JLG) and socially and economically disadvantaged, underserved groups, communities or individuals in urban and rural areas so as to empower them and to enhance their quality of life, extend their life choices, awareness, abilities, skills by facilitating poverty alleviation of woman and men, their families and communities through improved access to training and capacity building in productive activities; by promoting distribution and expanding outreach of socially relevant products.

5. **MATERIAL ORDERS**

There were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SECTION 188(1) IN THE PRESCRIBED FORM BELOW;

1. Details of contracts or arrangements or transactions not at arm's length basis:
There were no contracts or arrangements or transactions entered in to during the year ended March 31, 2016, which were not at arm's length basis

2. Details of contracts or arrangements or transactions at arm's length basis:

Name(s) of the related party and nature of relationship	**M/s. Chaitanya Rural Intermediation Development Services Private Limited (Holding company)** Mr. Samit S Shetty, Promoter and Director Mr. Anand Rao, Promoter and Director Mr. Ramesh Sundaresan- Nominee Director
Nature of contracts/arrangements/transactions	Sell-out transaction - 2 wheeler portfolio
Duration of the contracts / arrangements/transactions	21 months
Salient terms of the contracts or arrangements or transactions including the value, if any:	Rs. 2,10,68435 (Gross) at the rate of 16% P.A. payable monthly with a tenor of 21 months and at MRR of 5%.
Date(s) of approval by the Board, if any:	16th March 2016
Amount paid as advances, if any:	Rs. 200,15,013

Risk Management

Chaitanya India follows well-established and detailed risk assessment and minimization procedures, which are periodically reviewed by the Board.

The Risk Management Committee assists the Board in its oversight of the Company’s management of key risks, including strategic and operational risks, as well as the guidelines, policies and processes for monitoring and mitigating such risks under the aegis of the overall business risk management framework.

Internal Financials Controls

The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the 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 disclosures

Corporate Social Responsibility

As per Section 135 of the Companies Act 2013, constitution of corporate social Responsibility committee is Not Applicable.
However, in the year 2015-16, Company has conducted various programmes in the villages to update about various government schemes like PMJDY, PMJJY, PMJSBY, APY, SSM, LPG Subsidy etc and also the below programmes were conducted:

SL NO.	Program Name	Participants	Remarks
1	Financial Literacy program	419	In coordination with Jnana jyoti [Sponsored by Syndicate bank], Amulya [Sponsored by canara bank], KVG
2	Skill Development Training Awareness Program	431	In coordination with RUDSETI Dharwad & RSETI Halyal
3	Livestock Awareness Video Show	1089	Shown newly created video
4	Enterprise Development Program	14 Trainees	Paper doll training for 6 days in Yelewal village, Tq:Kundgol, Dist: Belgaum(By Hand-In-Hand India and OIKO Credit)
5	Insurance Awareness Program	331	MICRO INSURANCE- LIC BHAGYALAXMI
6	Training on LIC scheme	69	MICRO INSURANCE- LIC BHAGYALAXMI
7	LIC Bhagyalaxmi Policies done	6	MICRO INSURANCE- LIC BHAGYALAXMI

PARTICULARS OF EMPLOYEES

The table containing the names and other particulars of employees in accordance with the provisions of Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is appended as ***Annexure 1*** .

Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014(A statement containing the names of every employee employed throughout the financial year and in receipt of remuneration of 60 lakh or more, or employed for part of the year and in receipt of 5 lakh or more a month) is **Not Applicable**.

POLICY ON DIRECTOR'S APPOINTMENT

The current policy is to have appropriate mix of Executive and Independent Directors to maintain the independence of the Board. As on 31st March 2016, Board comprises of 6 (Six) Directors, including 2 (Two) Independent Directors 1(one) Managing Director, 1(one) Joint Managing Director, 1 (one) Non Executive Director and 1 (one) Investor Nominee Director.

The policy of the Company on Director's appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under Sub-section (3) of Section 178 of the Companies Act, 2013, adopted by the Board, is appended as ***Annexure 2***.

BOARD EVALUATION

The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual Directors. Schedule IV of the Companies Act, 2013 states that the performance evaluation of Independent Directors shall be done by the entire Board of Directors, excluding the Director being evaluated. The evaluation of all the Directors and the Board as a whole was conducted based on the criteria and framework adopted by the Board. The Independent Director in their Meeting held on 4th March 2016 evaluated the performance of the Executive Directors, Non executive Directors, Chairperson and the Board as a whole.

CODE OF CONDUCT, TRANSPARENCY & CLIENT PROTECTION

The Company has fully implemented the Reserve Bank of India's Fair Practice Code and adopted the Microfinance Institutions Network's (MFIN) Code of Conduct.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION

Since the Company does not own any manufacturing facility, the particulars relating to conservation of Energy and technology absorption in the above rules are not applicable.

FOREIGN EXCHANGE EARNINGS AND OUTGO

The Foreign Exchange Inflow for the Company during the year was NIL.
The Foreign Exchange expenses incurred during the year was Rs. 6, 51,405 towards web hosting charges.

LOANS, GUARANTEES AND INVESTMENTS MADE BY THE COMPANY UNDER SECTION 186

The company has not given any loan and guarantees.

RELATED PARTY DISCLOSURE UNDER SECTION 188(I)

1. **Transactions with related parties during the year:**

Key Managerial Personnel

Particulars	March 31, 2016	March 31, 2015
Remuneration	**(RS.)**	**(RS.)**
Mr. Samit S Shetty	22,98,290	17,63,904
Mr. Anand Rao	22,98,290	17,63,904
Mr. Ane Narasimha	-	1,44,800
Mr. Srinivasan C V	3,21,034	-
Ms. Dimple Shah	3,84,000	1,22,000

Director Fees

Particulars	March 31,2015	March 31,2014
Sitting Fees	**(Rs.)**	**(Rs.)**
Mr. K S Ravi	75,000	30,000
Mr. Nanda Kumar	75,000	30,000
Mr. Ramesh S (Nominee Director)	60,000	30,000
Mr. Ane Narasimha	45,000	-

Investment by Holding Company

Particulars	Name of the Company	Amount (RS.)
Share Application Money Received	Chaitanya Rural Intermediation Development Services Private Ltd. (Holding Company)	-
Equity Shares Allotted	Chaitanya Rural Intermediation Development Services Private Ltd. (Holding Company)	107,50,000
Securities Premium Received	Chaitanya Rural Intermediation Development Services Private Ltd. (Holding Company)	193,50,000
Sale of Loan Portfolio	Chaitanya Rural Intermediation Development Services Private Ltd. (Holding Company)	200,15,013

Declaration by Independent Directors

The Company has received necessary declaration from each Independent Director under Section 149(7) of the Companies Act, 2013, that he/she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013.

Directors Responsibility Statement

Pursuant to the requirement under Section 134 (5) of the Companies Act, 2013, Board of Directors confirms that:
1. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. 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;
3. 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;

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

5. The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

6. 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.

AUDITORS:

Statutory Auditors

The company has appointed M/s. Ramesh Ashwin & Karanth, Chartered Accountants, Bangalore as Statutory auditors of the company for period of Five years from the conclusion of fifth Annual General Meeting (held on 7th August 2014) till conclusion of Tenth Annual General Meeting subject for ratification by members at every Annual General Meeting.

Secretarial Auditor

As per provisions of Section 204 of the Companies Act, 2013 and rules made there under, the Company is required to appoint Secretarial Auditor to carry out secretarial audit of the Company. The Company has appointed Ms. Pallavi Rao, practicing Company Secretary as Secretarial Auditor of the Company for the F.Y. 2015-16. Secretarial Audit report is attached **[Annexure 3].**

Qualification raised by Secretarial Auditor:

1. The Company has not appointed a Woman Director on the Board as per the requirements of Section 149 of the Companies Act, 2013

Director's remarks:

Board is actively looking for Woman Director.

Vigil Mechanism

The Company promotes ethical behavior in all its business activities and has put in place a mechanism of reporting illegal or unethical behavior. The Company has a vigil mechanism process wherein the employees are free to report violations of laws, rules, regulations or unethical conduct to an e-mail ID designated or by post. The confidentiality of those reporting violations is maintained and they are not subjected to any discriminatory practice.

Name and Address of the Whistle & Ethics Officer

Mr. Anand Rao
Chaitanya India Fin Credit Private Limited
#98,3rd floor, Sirsi circle, Mysore Road, Chamrajpet, Bangalore-560018, Karnataka.
Email- anand@chaitanyaindia.in

Name and Address of MD of the Company

Mr. Samit S Shetty
Chaitanya India Fin Credit Private Limited
#98,3rd floor, Sirsi circle, Mysore Road, Chamrajpet, Bangalore-560018, Karnataka.
Email: samit@chaitanyaindia.in

Name and Address of Chairman (Audit Committee):

Mr. K Subramanyam Ravi
121, 'SHRUTHI' Central Excise Layout, Vijayanagar, Bangalore - 560040
Email: ksravi121@gmail.com

Extract of Annual Return

In accordance with Section - 134(3)(a) of the Companies Act, 2013, an extract of the annual return in the prescribed format is appended as ***Annexure 4.***

Disclosure under the Sexual Harassment of women at workplace (prevention, prohibition and redressal) act, 2013

Your Company has always believed in providing a safe and harassment free workplace for every individual working in Chaitanya premises through various interventions and practices. The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment.

The Company is in compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and has a prevention of sexual harassment policy in place. The Directors further state that during the year under review, there was one case filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and immediate action was taken.

Acknowledgment

Your Directors take this opportunity to offer their sincere thanks to Bankers, Investors and Independent Directors for their unstinted support and assistance received from them during the year. The Directors would also like to place on record their appreciation of the dedicated efforts put in by the employees of the Company.

By order of the Board

Bangalore, 11.06.2016

Sd/-	Sd/-
Samit S. Shetty	Anand Rao
Managing Director	Joint Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS

Overview of Performance

Client Outreach: The number of active clients the Company serves increased from 70,000 to 1,30,000, an increase of 86% for the year and the loan book grew to 216.78 crores from 99.07 crores , an increase of 119% for the year. The JLG(Joint liability Group) loan book grew by 126% from Rs. 90 crores to Rs. 203 crores, whereas 2 wheeler loan book increased from 6.87 crores to 12.04 crores. We are in the process of winding down our gold loan bookdue to operational challenges in scaling up the gold loan book within the culture of microfinance branch model. The gold loan book decreased from 2.28 crores to 1.93 crores. We also made our first foray into housing loans. In housing, we ourselves provide small ticket house improvement loans greater than 50,000 and less than 75,000 Mortgage housing Loans between 100,000 to 250,000 and also partner with housing finance companies for larger sized loans. The number of branches in the Company increased from 47 to 83 during the year. Operationally, a group of branches are clustered as a region with a region having 5 to 7 branches. We added five new regions during the year – Humanabad, Hagaribomanahalli, Shahapur, Sindhanur, Haveri in Karanataka. Further we have forayed in to Maharastra adding two regions – Lathur and Kholapur. In the current year we increased our coverage in the state of Karnataka by entering the districts of Raichur, Bellary in Karnataka and Udgir, Aurad Shahanjani and Nesari in Maharashtra.

Repayment Rate and Overdue: We continue to have very good repayment rate, with the repayment rate being 99.56% during the year for the company. The number of overdue accounts in the Company for JLG loans was **94 loan accounts** in FY 15-16 and the total portfolio at risk for the Company from these 94 loan accounts was Rs. **8,70,522**.
In FY 14-15 the number of overdue accounts was 40 and the total portfolio at risk was Rs. 4,16,849. The PAR (OD>0) has remained at 0.05% for JLG loans. The 2Wheelere Loan book had a 3.52% PAR (>60) higher than the 2.67% (PAR 60) of the Previous Years. The PAR>180 in Gold Loans is 9.04% which is much higher than previous years, but given the current price of Gold should not lead to loan losses beyond 0.5% of the loan book.

Profitability: The Company closed the year with a profit after tax (PAT) of Rs. 149.24 Lakhs higher than previous year's PAT of Rs. **0.83 Crore**, an increase of **79%** for the year.. The increase in profits was in proportion to the rise in portfolio and the growth in Profits was achieved with the same capital base increasing the numbers on Return on equity. In the previous year, margin structure moved from 12% to 10 % and we have adapted to the reduced margin available for our Operations.

Performance on key Financial Metrics Over the last 4-5 years are below.

Report on Key Year End Numbers:	**2012**	**2013**	**2014**	**2015**	**2016**
PAT in Crores	0.70	0.51	0.80	0.83	1.50
Growth in PAT		-26%	55%	5%	80%
Growth in Average Assets Under Management		58%	88%	78%	93%
Yield on Average Portfolio	26.77%	26.60%	26.40%	27.62%	26.78%
OCR	17.30%	15.87%	11.95%	10.96%	10.74%
Cost of Funding / Net Average Adjusted Debt (F)	18.00%	16.01%	15.73%	16.17%	15.79%
Provision on Avg Portfolio	0.35%	0.21%	1.02%	0.61%	0.73%
Interest Margin (Interest Margin + LPF)	8.77%	10.59%	10.67%	11.45%	10.99%
Average Portfolio / Average Net Assets (Utilization Efficiency - U)	91.66%	85.00%	90.55%	87.62%	91.46%
PBT on Avg Portfolio	7.21%	3.42%	2.84%	1.51%	1.62%
PAT On Avg Portfolio (ROA)	4.87%	2.31%	1.92%	1.17%	1.09%
PAT on Avg Assets	4.47%	1.96%	1.74%	1.02%	1.00%
ROE	5.29%	3.75%	5.49%	3.42%	5.80%
Return on Capital Employed (ROCE) EBIT/Avg Assets	**9.12%**	**10.51%**	**13.43%**	**16.05%**	**15.32%**

The Interest Margin of 11% (Including LPF) is likely to stabilize as our margin structure for the next few years till efficiency gains allow us to bring down the margins further below the RBI permitted structure.
The Reduction in OCR from 10.96% to 10.74% has been muted but has happened as we are expanding our Branches from 29 to 83 in the last 2 years with a large proportion of the Branches under 18 Months. While the reduction in OCR is small as a substantial number of branches get to a vintage of 2 years, we would see reduction in this.

We have shown a marked improvement in utilization of funds and this has been the focus over the last 12 months and the improvement of over 4% in funds utilization has contributed to 30% of the Profit Before tax and this will continue to be our focus in the coming year also.
The Parameter which did not improve in the last year was Return on Capital Employed. The reduction of Yields owing to a combination of reduced borrowing costs and Margins have led to a reduction in ROCE. The ROCE is also still above the Cost of Funds clearly causing economic loss on debt. However as the efficiencies improve in the next 12-18 months the ROCE should drop well below the cost of debt. However in the last year we have clearly demonstrated our ability to ensure profitable growth at higher Leverage as long as the asset quality remains high. We have also added 10 crores of Tier-II Capital last year as we were unable to close the TIER-I capital Raise before the end of the year.

Operational Metrics:

The Key Operational Metrics are below

Operational Metrics	**Mar-12**	**Mar-13**	**Mar-14**	**Mar-15**	**Mar-16**
Asset Per Customer in Rs	**9,193**	**11,332**	**12,814**	**14,249**	**16,590**
Staff Cost / branch Staff (Avg staff for the year)	1,58,821	1,73,004	1,77,205	1,82,626	2,01,972
Active Customers growth		53.6%	57.1%	58.8%	86.7%
Asset Per Customer growth	0.00%	23.27%	13.08%	11.19%	16.43%
% Branch Growth	0.0%	71.4%	20.8%	62.1%	76.6%
Employee Percentage Growth	0.0%	81.8%	52.0%	59.2%	97.1%
Attrition Rate	18.5%	17.2%	23.5%	25.2%	28.0%
AUM Per CO	0.34	0.37	0.42	0.40	0.46
AUM Per Branch	1.20	1.33	1.95	2.12	2.61
JLG (PAR>0)	0.02%	0.04%	0.01%	0.05%	0.05%
Gold (Par > 180)	1.83%	8.50%	3.86%	5.47%	9.04%
2W (PAR > 60)	0.00%	0.00%	0.27%	2.67%	3.52%
2W (PAR> 90)			0.12%	1.67%	2.02%

The cost growth has been in line with wage Inflation in this segment and we have improved around 15% on the Assets per Customer, some of which comes from Inflation and some from our increased capability to do larger loan sizes. The Significant achievement in the last year has been the growth in Customers and Growth in Employees. Both of these are operationally intense tasks and hence getting us to a higher base of employees and customers is a key achievement from which we can focus on driving efficiencies in 83 operational branches.
The Overall customers handled per Credit Officer and per Employee has not increased last year owing to the higher recruitment and Branch Addition towards the end of the year, but in Branches that are of more than 2 years vintage we are able to handle higher than 600 Customers per Credit Officer. The marginal higher attrition is coming from an expansion of spread to newer Geographies.

Performance versus Projections:

Report on Key Year End Numbers:	Actual 2016	Proj 2016
PAT in Crores	1.50	1.63
Growth in PAT	80%	95%
Growth in Average Assets Under Management	93%	94%
Yield on Average Portfolio	26.78%	24.45%
OCR	10.74%	10.02%
Cost of Funding / Net Average Adjusted Debt (F)	15.79%	14.03%
Provision on Avg Portfolio	0.73%	1%
Interest Margin (Interest Margin + LPF)	10.99%	10.43%
Average Portfolio / Average Net Assets (Utilization Efficiency - U)	91.46%	90.21%
PBT on Avg Portfolio	1.62%	1.76%
PAT On Avg Portfolio (ROA)	1.09%	1.19%
PAT on Avg Assets	1.00%	1.07%
ROE	5.80%	2.37%
Return on Capital Employed (ROCE) EBIT/Avg Assets	**15.32%**	13.6%
ROE (PAT by Average Equity)	5.94%	5.6%

We continue our strong track record of meeting our projections and have ended the year with very near performance to our projections. The Interest Margin and Financial Efficiency were better than Projected with better Interest Margin Coming out of better Yield. The cost of borrowing did not drop as anticipated but did not have an Impact as the Yield maintained at a level to end up at a better than projected Interest Margins. OCR improvement was lower than Projected number, however this higher OCR was compensated by better Interest margin than projected and also lower Provision for Loan Losses and Write offs than projected. Hence on -an overall basis, while the Profit after Tax was 10% below projections, the impact of the delay in equity raising was managed and it did not affect the profitability or growth.

Ratings: The MFI grading assigned to the company is retained at M2 as per ICRA grading scale. The company also retained the bank loan rating of BB+ from ICRA. The company also did a COCA (code of conduct assessment) where it received a level 3 (read as COCA Three) rating from SMERA which is an above average level of adherence to code of conduct and regulations.

Branch & Field Audits

Company has strong and well trained Audit team. The team comprises of One Audit Officer per region headed by Audit Manager, which carries out branch and field audits according to a pre-defined plan centered on a risk-based approach. Field audit team focuses on the efficacy of field operations and compliance to operations manual.

Service Quality

Our Service Quality Program has evolved over the years, with a variety of customer care, a toll free service and client protection initiatives which have positively impacted our customer connect and retention. We have strengthened customer retention programs, fair practices and grievance redressal mechanism.

Risk Management

Credit Risk: Credit risk is the risk which arises due to borrowers late and non-payment of loan obligations. At a portfolio level we manage this risk by setting up branches deep in to rural areas. Deep rural areas also happen to be an area of lower competition and lower credit risk. By continuously focusing on operating in rural areas since inception, the company has developed significant expertise in operating in rural areas and managing the corresponding risks which arise. At a transaction level, the company has a strong (internally developed) process to screen villages and borrowers before loans are disbursed. The field process is supported by a strong audit process in the company. The company also has a process to capture information and take action on potential client repayment problems before they actually occur.

Operational Risk: It is the risk which arises from daily operational transactions. This is an important risk in microfinance due to the occurrence of a large number of small sized daily transactions. The company has a robust web based IT system where every transaction is recorded real time and financial accounts are tallied and closed on a daily basis. To deal with risks arising from cash handling there are strict cash carrying limits for field employees, limits for cash holding at branches and cheque signing limits for branch managers. Employee related frauds are another operational risk. The background of every employee is thoroughly checked before they are recruited and hiring from other financial institutions is generally avoided. Field staff are constantly trained and guided on aspects of right values by Regional Managers to minimize the occurrence of employee frauds. The company also has a zero tolerance policy towards employee frauds.

Sector Risk:

Audit and Internal Controls

There are two types of internal audit conducted in the company. One is field operations audit and the second is accounting and administrative audit. The field operations audit is headed by the audit head. Each region has an audit officer assigned who audits all the branches in the region. The audit officers report to the Audit head. The audit officer ensures that there is one field audit of every branch in a month and a certain minimum number of repayment audits, field process audits, client audits and Fair Practices Code audits are done for all branches in the region. The accounts and administrative audit is done every quarter by an external independent agency. This audit focuses on compliance to accounting and documentation processes at the branches, regions and head office and compliance to human resources processes. Every quarter both the field audit and the accounting audit findings are submitted to the audit committee. The audit committee reviews the findings and reports to the Board.

Human Resources

Loan officers form the largest proportion of employees in the company. Loan officers are recruited from in and around the villages where we set up our branches. This ensures that attrition levels are lower, there is a local touch to the operations and we are taking fresh candidates and inculcating the right values in the loan officers. However, care is taken to ensure that loan officers do not serve the villages they come from. The company strives for the right balance of being local and also being professional in the services it delivers to its clients.

Community Services

The company sees community services being integral to its main activity of providing microcredit loans. During the year, the company has appointed a senior person at the level of regional manager to head the community service activities in the company. During the year, the focus of the community service was to ensure that every client of the company has a bank account. This was done as the company's support to the government's Prime Minister's Jan Dhan Yojana (PMJDY) to help our clients to have bank accounts in their local banks and also help us better integrate with the main stream banking sector. In total we opened 18,000 bank accounts ensuring more than 99% of our clients have bank accounts.

Client Grievance Cell

During the year, we introduced a dedicated toll free number for the benefit of our clients. During the training we brief about the toll free service and Greivance Redressal mechanism to our clients and actively encourage them to contact our toll free number if they have any complaints. All complaints are addressed with utmost importance.

STRATEGY FOR THE YEAR 2016-17 AND DISCUSSIONS ON THE CURRENT INDUSTRY ENVIRONMENT

Environment in the Financial Inclusion Space

1) Small Finance Banks likely to come on board by March 2017 and this creates interesting road maps and competitive dynamics. A Fair assessment is for the next 5 years they are unlikely to be competitive on cost of liabilities. Their cost of liabilities would come down in the short term as they add significant equity capital muscle and hence are able to borrow at interesting costs from the capital market, the ability to bring down cost of liabilities to Single digits from retail and wholesale borrowing is at least five years away.
2) Technology in the form of E-Wallets has not made a dent in the rural MFI space owing to the lack of last mile Digital (bank account) to Cash Flexibility. So despite Unified Payments Interface coming in, till some entities make significant investments in the LAST MILE and facilitated adoption by making E-money to Cash ubiquitous, the E-Wallets are going to be used by the Urban educated to pay their Uber Cabs.
3) Machine Learning / Algorithm based lending Options are becoming more prevalent and would become main stream in the next 12-24 months. There are over 25 different companies and more working on different Credit Models and Different Niche Segments trying to come out with the next mechanism to automate lending. All of them are however reliant on the BANKs/NBFCs to provide the Lending backend, and till there is someone who succeeds as a Lender themselves the Banks are still in the driving seat.
4) Digital Sourcing of Loans and Customers either by the Banks or other Internet Based Platforms like Bank Bazaar and sales of Insurance and mutual Funds have been an area of clear success for the new generation of companies compared to enabling transactions or Lending itself.
5) As the payment banks come aboard and Wallets proliferate, the NPCI (National Payments Corporation of India) launching an Aadhar card based Interface facilitating peer to peer payment using mobile phone numbers at almost no cost, thus creating the backbone for companies with customer relationships to climb on the peer to peer payments bandwagon without tying up with the payment gateways, this has the potential to disrupt the E-Wallets. Essentially any Taxi Company could make all its Drivers to receive money from any Bank.
6) Government is in a JAM trying to walk the talk both on JAM and the MUDRA Scheme. In the JAM philosophy, (JanDhan, Aadhar, Mobiile Trinity) the last mile delivery and handling of cash is becoming a talked about problem and the government will push the banks to resolve this mostly through bank correspondents. The MUDRA scheme is designed for finance of SME customers for loan sizes from Rs.100,000 to Rs.10,00,000. The real delivery of new SME credit is yet to be seen but may come in due course. As of now Banks are Branding some of their Loans as Mudra Loans and MFIs loans are also reported as part of the Mudra Loans, true intervention and impact by the Mudra Scheme is yet to be seen.
7) Overall the Financial Sector Regulations and governmental efforts have taken the full step to becoming private sector friendly. Universal Bank Licensing is going to be on TAP And Differentiated Bank Licenses should also become an ongoing mechanism if the initial experiments do well. So an era of the Protected Banking Sector has come to an end. There is going to be more dynamism and newer players will continue to come into the sector and the Share of the Private Sector in Indian Banking is going to go up dramatically unless the Government finds a way to recapitalize the PSUs to a very different order. Also the regulator seems to be creating alternative channels through NBFCs for Innovative interventions like Digital lending, E-Wallets and peer to peer payments. Overall the Protected Banking Environment seems to have ended.

Industry

8) The total size of group microfinance today is around INR 140,000 crores. NBFC-MFIs under MFIN are at INR **53,000 Crores** and Bandhan Bank is about INR **15,000 Crores** and there is another 12% of Portfolio that is typically from Trusts and Not for Profits of about INR 7000 Crores. Adding to this, the Portfolio of Banks not reported in the MFIN as BC partnerships and Direct Lending of the Banks to JLG groups would add another INR 10,000 Crores making the total size of the JLG business to be around 85,000 Crores. The SBLP (SHG Bank Linkage Program) which was around INR 50,000 Crores last year has shown a growth of around 10% per year and can be estimated at INR 55,000 Crores. Hence the overall Micro Finance Lending from the Formal Sector

(excluding cooperatives individual lending) in the form of group lending is around INR 140,000 Crores (around USD **21 Bn)** Industry serving probably around 35**–50 Mn Households (The wide range is a function of what one thinks is extent of multiple Borrowing)** for an average loan Outstanding of **Rs. 28,000 to Rs. 40,000** per household **(Approx. USD 400 – 600**). The loan per household is most likely around 25 % - 30% of the household Income of this segment. Clearly the size of the Loan per Household is nearing the maximum capacity of the lower and lower middle income customers and MFIs need to tap a different Income segment to grow loan size per customer.

9) The customer growth has been between **20% to 30%** over the past four years. On a country wide basis the customer penetration is probably around 40% of potential or little below. **(40Mn versus 100Mn Households that are potential Micro finance borrowers)**. Dramatic Shifts in Proportion of Urban to Rural penetration is seen with the latest Data Showing 70% of Micro Finance Customers to be Urban Dwellers compared to 30% Rural. (While the population is still divided 65:35 between Rural and Urban). This data clearly points out that in some pockets of Urban India Customer Penetration has no room to grow further and this is reflected in the anecdotal evidence that one hears in the Urban Space. For the Entire Country, continuing the 20% customer growth rate over the next 5 years reach in rural areas would be achieved and addition of new customers would probably slowdown in the next five years in rural areas. So the Customer Addition Story of Micro Finance is ending for Urban Micro Finance and for the Rural Parts in South and East would end in the next 3 years and in the next 5 years for rural players in the lesser developed markets. So the fight to establish a competitive space will move from the Urban Centres to the Rural Areas in JLG lending. However this addition of customers is going to be challenging, as the easily reachable customers have already been covered and the unreached are now mostly in villages and sometimes in difficult to reach terrains.
10) Growth in Outstanding / Loans per customer grew at 20%-25% annually in the last 3-4 years principally contributing to the industry growth but given the current base of closer to 25% Household Income, it is unlikely to grow than more than 50% over the next 5 years. Hence from a JLG lending perspective, it is more likely that the loan size growth for the Industry could come to down to between 10% to 15%. Overall the potential of 30% growth rate for the industry for the next 5 years should be maintained taking the industry to a size of INR 350,000 Crores (USD 50 Bn) in 3-5 years.
11) NBFC-MFIs have firmly overtaken the SHG- Bank linkage Program (SBLP) model. **They are growing their book size by more than 80% while the SBLP has grown by 20%.** As the industry grows at 30% growth, the ratio is going to be increasingly biased towards NBFC-MFIs which are more likely to grow at above 70% over the next 3-5 years.
12) Mudra Bank set up to refinance institutions for loans between INR 50K to 10Lakhs is seeing an overlap with MFI lending as the RBI increases the MFI's lending limits to INR 100K. This means that MFIs with the Banks Priority Sector Lending Limits will take over all lending per customer up to INR 100K, leaving Mudra in the space between INR 100K to 1 Million. It is believed that most of the MUDRA lending will be directed towards business or commercial lending and will not become household debt, but it is yet to be seen how this works out.
13) Increasing Interest is seen of the other NBFCs and loan companies to get in and grow big in the MFI space through acquisitions or other means. L&T has suddenly accelerated to over INR 2,000 Cr Portfolio growing 200% from INR 670 Cr. Muthoot is pushing for growth in this segment. Manappuram has acquired Aashirvad, and IDFC Bank has acquired GVMFL, both are looking to grow their business. Edelweiss is working with MFIs on an agency / BC basis. In addition there are a set of Banks that use MFIs as Banking Correspondents and others that are increasingly taking equity stakes in MFIs. The interest of private sector banks is genuine and consolidation in the Industry seems to have begun. There is a 3-5 year period of good growth, after which Industry Players are likely to start eating into each other's market share or end up increasing the risk of each other's portfolio.
14) In a market of INR 300 - 350K Crores in 5 years for NBFC-MFIs, there should be around 10-15 players controlling 50% of the market forming the Tier-I companies while there would be 30 more players vying for the rest of market. The structuring of the TIER-I players as SFBs or NBFC-MFIs would cause very little differentiation in

products over the next 3-5 years as NBFC-MFIs will structure internally or tie up with other entities to offer missing services.

DISCUSSIONS ON

A) Consolidation in the Industry:

MFI Industry Consolidation is in the horizon but not very imminent given the complexity and the size of the country. Given the operational intensive nature of the business there is a tendency of **high touch models** to revert to favoring smaller tightly managed geographically concentrated entities. MFI lending is a **high touch low transaction size business, but also very standardized and process driven and hence offers opportunity for consolidation**, however smaller entities have the benefit of responsiveness and decision making. The very reason MFIs were able to create their space between the Bank and the customer, the presence of a large MFIs does not prevent a newer MFI from coming in and capturing market is because of the responsiveness and adaptability that smaller, tightly managed faster entities have over larger bureaucratic setups. In MFI industry, the advantage of the larger entities is neutralized because of **non-price sensitive nature** of the borrower removing any advantage that pricing power that a larger entity may have. This apparent customer neutrality to pricing is unlikely to stay forever especially if the growth rates of 50% remain currently however it creates a situation where between a SKS and Chaitanya operating in the same market, the customer's choice of the entity is not based on Interest rate. Hence the benefit of a '**larger size of a NBFC' and the corresponding** lower cost of borrowing and lending cost to the final customer as a source of competitive advantage is not an important factor in the near to medium term.

Hence entities that are able to bring down Head office Costs to less than 1% of the AUM (this is possible for entities between INR **200 – 500** Crores if structured rightly), and get within 200-250 BPS of borrowing costs of larger entities would be able continue and enjoy their niche position. However at this size of business and aspiration access to **Equity** is severely curtailed and bigger entities are able to raise equity much more easily. Hence the Growth rate of these institutions would be limited to their Return on Equity.

Infusion of additional Equity is presently available for entities that are either already at a reasonable size or show the eagerness and skills to grow to a size to provider investors an exit through public markets or through strategic exits. A reasonable size to be of interest to Strategic Investors and for crossing the hurdle of banking licenses currently is upwards of a 100 Crore of net worth and around 600 Crs if AUM. From a **Business Economics Perspective,** entities that have a size of around 200Crs could continue to thrive as smaller MFIs.

The emergence of Small Finance Banks as vital players in the segment is likely to push the Entrenched MFIs/ NBFCs / Banks to evolve some form of partnership to secure their share in low Income Segment borrowing spurring consolidation. Consolidation could also be a path for smaller entities to reach their desired size and geographical reach faster than growing organically. The threshold to be crossed for NBFC_MFIs to list under current market conditions is approximately around INR 3000 Crores AUM (INR 500 Crores Book Value) and the pursuit of this could also lead to some consolidation.

However, despite all the interest in possible consolidation, the ecosystem would continue to have a large number of smaller niche players and the nature of the market suggests that just like in banking sectors there could be a larger number of small players co-existing along with 10 -20 large MFIs. It is however clear that the industry would evolve such that there would be with no single player who has a dominant size and scale of operations as a Competitive advantage.

We believe that in the midst of this partial consolidation either by organic expansion and through partnerships in some locations we have the space to emerge as a PAN India Rural Focused Financial Services Company delivering the full spectrum of Credit Products.

B) Key Differentiators and Competitive Advantage

Beyond a threshold size of around INR 500 / 1000 Crores when costs and efficiency across companies are comparable and impact of cost of funds marginal in the customer segment we serve, the differentiation between entities is unlikely to be size but the product service fit and risk management capability fit between MFIs and their chosen customer segments. Hence MFIs that invest in developing the organizational capability to a deliver a bouquet of products to existing customers and other customer segments that are presently not well served and hence are not price sensitive will have an edge. Further Institutions whose processes deliver high quality service and risk management are more likely to deliver better economic profit in comparison to the ones who are just growing larger in size or assets under management.

Hence the differentiation going forward would be less about Small and Large MFIs or Small Finance Banks and NBFC-MFIs but more based on execution capability to be a broad scope MFI covering a range of products and customers. Hence the focus in Chaitanya is to continue to build the capability to add more products and gain traction in some of these products in the next 2-3 years. **Continued focus on rural areas in existing geographies and being highly effective in serving the Credit needs that cannot be met through JLG groups and reaching income and customer segments that are adjacent to our current customer profile but are currently not served by the Bank's are the key aspects of our strategy.** Hence growth of current products like Two Wheeler Loans and Micro Housing loans are vital measures of success and also the development and deployment of other loans products for Asset Creations like dairy loans, small business working capital loans are crucial to the execution of the strategy.

C) Geographical Spread

The MFIN report on the spread of MFIs (MICRO SPREAD) is revealing with respect to the district level concentration of MFIs in some markets and the pattern is repeated for the second year. More than half the MFI portfolio is sourced from 88 well penetrated districts (15%) and the top 25 districts (4%) account for 24% of the overall Portfolio. The MFIN report does not have data for some of the larger not for Profits like SKDRDP, CashPoor and principally Bandhan Bank. The Saadhan Bharat Microfinance report (Aug 2015) though older has information on these entities. The analysis below is based on both these reports.

Basis penetration the states in the Country can be divided into the following:

1) **Leader States: - Karnataka, Tamil Nadu, Kerala, West Bengal and Maharashatra plus (former) Andhra Pradesh:** These 6 **(7 now)** states have a population of 450Mn (Census 2011) and have an Urban Rural Population Divide of around 55:45. In these regions at least 50% of the districts are well penetrated unless there are specific topography related reasons. In all these states **(LEADER STATES)** MFIs / NGOs/ SHGs have been active for over 10-15 years now principally in the rural areas. However the growth in these states over the last 4-5 years has been driven by growth In the Urban geographies. While the rural presences in these states continue, the client mix has shifted to majority Urban. Around 60% of the overall MFI Clients and 60% of the MFI Portfolio are from these 6 states. Some districts that are well penetrated could have client penetration higher than 30% of Households.
2) **Follower States: - MadhyPradesh, UP, Bihar, Odissa, Asaam and Gujarat** these 6 states with a population of 500Mn (Census 2011) and with the exception of Gujarat (57%) have more than 75% of their population in the rural areas. These states have high penetration of MFIs in around **10%-20%** of their districts. The districts with higher penetrations are always the major Urban centers, the capital cities and districts around the capital cities. In most of these states the growth and presence of MFIs is a phenomenon of the last 5-7 years and in most cases the growth in MFI activity in these states have been accompanied by an increased URBAN focus of MFIs. These six states account for slightly less than 30% of the MFI Customers and around 30% of the MFI Outstanding Portfolio. It is seen that the overall Penetration in these **Follower** States is below HALF the Penetration of the leading states and with a higher rural population and is around 10% of the households.
3) **Laggard States: - Jharkhand, Haryana, Punjab, Chattisgarh, and Rajasthan:** These states have a combined population of 180 Million, more than 75% of which are rural. The penetration in these 5 states significantly Lag the Above mentioned Six Follower States. The reason for lower penetration in these states is diverse. Jharkhand and Chattisgarh are Naxal belts with uncertainty on Law and Order. Rajasathan the country's largest state, has larger parts of desert and dispersed population while Harayana and Punjab have socio- economic reasons which could have delayed the penetration of MFIs in the rural areas. These states constitute 15% of the Country's population and around 6% of the MFI customer base and the average penetration is around half the penetration of the follower states in the range of 5%

4) **Uttarakhand, Himachal Pradesh, Kashmir plus the 7 North Eastern States (The 10 Sisters).** These are the Himalayan States of India and have combined population of less than 50Mn. These states are defined by their really tough topography and altitude and reach, Law and Order, diversity and distance from the mainstream all contribute to an extent. Interestingly the Microfinance penetration in these states is comparable to the

Follower states and better than the Laggard States. Given the dispersed Geography and smaller population these locations are probably the most suitable area for high quality geographically focused MFIs.

Chaitanya's origin is in Karnataka and geographical expansion has been limited to Maharashtra and Karnataka. This focus is operationally better to execute and rural penetration in these states is still not saturated. However, most of the districts in these states are going to reach situations of full or over penetration limiting the scope to grow in JLG lending and also lead to higher risk profile in JLG lending. The focus hence in the Leader states should be to expand in two Wheeler, Dairy and Housing in each of the current operational districts and it requires the disciplined to prioritize resources for product and Credit expansion over geographical expansion. It means avoiding the temptation to expand geographically and grow the JLG book which is simpler to execute but could divert human resources away from growing the other products. In our Trajectory from 80 Branches to 270 Branches the expansion in the Leader states is planned to be around 200 branches so that by the time we reach the stage of 270 branches we have a sizable presence of at least 25% of our Branches (60-70 Branches and around 500 employees) in the Follower and Laggard States.

As part of the Geographical Expansion while we would like to establish a presence in most of the follower and laggard states the size of the opportunity and geographical spread means that we have to focus of our efforts in particular areas. Hence in the next 2 years we would focus our efforts to enable us to access the 5 states of UP/Bihar/MP/Chaittasgarh and Jharkhand. These states together have a population of more than 425 Mn and given the lower penetration levels in a large number of districts, this geography gives us the opportunity to allow for geographical expansion well into the future years. Hence strategically it is important to create a sound base in one or two of these states and reach closer to 30 branches in the next 12-18 months primarily focused on JLG lending. Further expansion from the first 30 branches (250 Employees) would determine the long term growth trajectory of the company and hence adequate investment in man power to build these 30 branches is to be planned.

The Key Deliverables for the Year 2016-17 hence would be

1. **Portfolio Growth and Quality of Micro Housing Loans and Two Wheeler Loans as the product Scales up:** Housing is expected to reach an average Portfolio of around INR 15Mn per Branch (150 customers) in more than 40 Branches in a year. To be able to train our existing Credit Officers to handle assessment in the branches and to train and deploy 7-8 Credit Managers in the regions in the next 6 months will determine the speed of scale up and quality of the portfolio. Quality of the Micro Housing Portfolio in the first year will impact confidence in this very large opportunity. Similarly as we enter newer geographies in Two Wheeler the ability to transfer the Learning to these newer areas and maintain portfolio quality at current levels will be an important deliverable.
2. **Effectiveness of Credit and Product Structures:** Effectiveness and synergy between the Branch and Product teams and the quality of Execution of the Credit Teams will largely determine the effectiveness of delivery of NON-JLG products. Absorption of the processes of newer products by the Branch teams and integration of the Credit/Product teams into the Branch and Regional operational teams and operating processes will influence effectiveness of deployment of the new products.
3. **Identification of the right first few Regional Managers and Divisional Managers in the North:** The move to the North India would contribute very little to the business numbers in the next 12-18 months. However it is very important strategically as it is at the Core of the next growth engine for the company. Hence to be able to select the right regional and Divisional Managers and to get the business basics right in the first districts where we would start operations is a critical measure of success in 2016-17. This along with **Quality of Implementation of the basics of Field Operations and Culture in newer Operating Geographies** and our success in transferring the high quality of field operations to newer regions would ensure a secure growth across geographies.
4. **Launch of some newer products amongst the choice basket of SME loans, Dairy Loans, three wheeler loans, LCV Loans and Agri-Implement Loans either in Partnership or directly.** While the contribution of the newer products in the projected business size is negligible, these products are vital requirements in the continuum to

build a large portfolio of credit Products. Hence to make the right choice of products and to finalise Product Managers and underwriting criterion for these products within the next 6-12 months is an important driver of long term performance

5. **Efficiency Leap in Existing Branches:** Improvement in processes and practices to increase efficiency of Credit Officers and Branches needs to be implemented in stable branches. The right path is to ensure Operational quality is maintained by Credit Officers with an increased customer load in settled Branches. Some of the efficiency leap would also come from the ability to deliver products with larger loan sizes. Process Redesign and **Usage of IT-Tools to Support Decision Making,**comfort in Usage of Risk Management Systems for effective credit decision making will support efficiency in growth.
6. **Technology Platform:** Scaling up the technology platform to be able to handle the different products and also to be able newer innovations in the collection space will contribute to bringing down the overall cost of operations.

GENERAL SHAREHOLDER INFORMATION:

COMPANY REGISTRATION DETAILS:

The Company is registered in the state of Karnataka, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is **U67190KA2009PTC049494.**

ANNUAL REPORT:

The Annual report containing inter alia, Audited Annual Accounts, Director's Report, Auditor's Report and other important information is circulated to members and others entitled thereto. The Management's Discussion and Analysis (MD&A) Report forms part of the Annual Report and the Annual Report is also displayed on the website www.chaitanyaindia.in .

DEBT SECURITIES LISTING:

The Bombay Stock Exchange

DEBENTURE TRUSTEE:

CATALYST TRUSTEESHIP LIMITED (Formerly GDA TRUSTEESHIP LIMITED)
Office No. 83 – 87, 8th floor, 'Mittal Tower',
'B' Wing, Nariman Point, Mumbai – 400021

PAYMENT OF LISTING FEES & DEPOSITORY FEES:

Annual Listing fee for the year 2016-17 was paid on 18th April 2016 to the BSE.

Annual Custody/Issuer fee for the year 2016-17 was paid on 9th May 2016 by the Company to NSDL.

SEBI COMPLAINTS REDRESS SYSTEM (SCORES):

The investor complaints are processed in a centralized web-based complaints redress system by Securities Exchange Board of India for debt listing. The salient features of this system are centralized database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status. Till the date of the report the status of investor complaints are Nil.

ANNEXURE 1- PARTICULARS OF EMPLOYEES

Information as per Rule 5(1) of Chapter XIII, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. **Remuneration paid to Whole Time Directors**

Name of the Director	Designation	Remuneration in FY 2015-2016	% increase of remuneration in 2016 as compared to 2015	Ratio of remuneration to MRE
Mr. Samit S Shetty	Executive Director	22,98,290	34%	12.49
Mr. Anand Rao	Managing Director	22,98,290	34%	12.49

2. **Remuneration paid to KMP**

Name of the KMP	Designation	Remuneration in FY 2015-2016	% increase of remuneration in 2016 as compared to 2015	Ratio of remuneration to MRE
Mr. Srinivasan	Chief Financial Officer	3,21,034	-	12.39
Ms. Dimple Shah	Company Secretary	3,84,000	5%	2.09

ii) The median remuneration of employees of the Company during the financial year was Rs.1,83,900
iii) In the financial year, there was an increase of 1.7 % in the median remuneration of employees;
iv) There were 785 permanent employees on the rolls of Company as on March 31, 2016;
v) Relationship between average increase in remuneration and company performance: - The Profit before Tax for the financial year ended March 31, 2016 increased by 111% whereas the increase in median remuneration was 1.7%.
vi) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2015-16 was 1.7% whereas the increase in the managerial remuneration for the same financial year was 34%.
Vii) There are no variable component of remuneration availed by the Directors.
Viii) The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year – **Not Applicable**

ANNEXURE 2- NOMINATION AND REMUNERATION POLICY

Introduction:

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel (KMP) and employees of the Company, to harmonize the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013 and the listing agreement as amended from time to time this policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Committee and approved by the Board of Directors.

The Objective and Purpose of this Policy are:

• To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.

• To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies, in the micro finance industry.

• To carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel.

• To provide them reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.

• To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

In the context of the aforesaid criteria the following policy has been formulated by the Nomination and Remuneration Committee and adopted by the Board of Directors at its meeting held on 27th May 2015.

Effective Date:

This policy shall be effective from 1st June 2015.

Constitution of the Nomination and Remuneration Committee:

The Nomination and Remuneration Committee comprises of following Directors:

SL No.	Name	Position
1.	Mr. Ramesh Sundaresan	Chairman (Nominee Director)
2.	Mr. K S Ravi	Member (Independent Non – Executive Director
3.	Mr. Ane Narasimha	Member (Non – Executive Director)
4.	Mr. Nanda Kumar	Member (Independent Non – Executive Director

The Board has the power to reconstitute the Committee consistent with the Company's policy and applicable statutory requirement.

Definitions:

• **Board** means Board of Directors of the Company.

• **Directors** means Directors of the Company.

• **Committee** means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.

• **Company** means Chaitanya India Fin Credit Private Limited.

• **Independent Director** Means a Director referred to in Section 149 (6) of the Companies Act, 2013.

• **Key Managerial Personnel** (KMP) means-

(i) Executive Chairman and / or Managing Director;

(ii) Whole-time Director;

(iii) Chief Financial Officer;
(iv) Company Secretary;
(v) Such other officer as may be prescribed under the applicable statutory provisions / regulations.
• **Senior Management** means personnel of the Company occupying the position of one level below the KMP.

Applicability:
The Policy is applicable to
• Directors (Executive and Non Executive)
• Key Managerial Personnel
• Senior Management Personnel

General:
• This Policy is divided in three parts: Part – A covers the matters to be dealt with and recommended by the Committee to the Board, Part – B covers the appointment and nomination and Part – C covers remuneration and perquisites etc.
• The key features of this Company's policy shall be included in the Board's Report.

PART – A

MATTERS TO BE DEALT WITH, PERUSED AND RECOMMENDED TO THE BOARD BY THE NOMINATION AND REMUNERATION COMMITTEE

The Committee shall:
• Formulate the criteria for determining qualifications, positive attributes and independence of a Director.
• Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
• Recommend to the Board, appointment and removal of: Director, KMP and Senior Management Personnel.

PART – B

POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT

• **Appointment Criteria and Qualifications:**
1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
2. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
3. The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

• **Term / Tenure:**
1. Managing Director/Whole-time Director:
- The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.
2. Independent Director:
- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the

Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on 1st October, 2014 or such other date as may be determined by the Committee as per regulatory requirement, he / she shall be eligible for appointment for one more term of 5 years only.
- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company.

• **Evaluation:**
The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

• **Removal:**
Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made there under or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

• **Retirement:**
The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

PART – C

POLICY RELATING TO THE REMUNERATION FOR THE WHOLE-TIME DIRECTOR, KMP AND SENIOR MANAGEMENT PERSONNEL

• **General:**
1. The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
2. The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Companies Act, 2013, and the rules made there under.
3. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director**.** Increments will be effective from 1st April to all the employees of the Company.
4. Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

• **Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:**
1. Fixed pay:
The Whole-time Director / KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F/SIP, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.
2. Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the previous approval of the Central Government.
3. Provisions for excess remuneration:
If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

• **Remuneration to Non- Executive / Independent Director:**
1. Remuneration / Commission:
The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Companies Act, 2013 and the rules made there under.
2. Sitting Fees:
The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rs. One Lakh per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.
3. Commission:
Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Companies Act, 2013.
4. Stock Options:
An Independent Director shall not be entitled to any stock option of the Company.

ANNEXURE 3 – SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Chaitanya India Fin Credit Private Limited.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Chaitanya India Fin Credit Private Limited (hereinafter called the Company) Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Chaitanya India Fin Credit Private Limited for the financial year ended on March 31, 2016 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1966 and the rules and regulations made

(v) The Regulations and Guidelines prescribed under the Securities and Exchange Board thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowing; of India Act, 1992 ('SEBI Act') viz.:

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with the client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations,1998;

(vi) And other applicable laws.

I have also examined compliance with the applicable clauses of the Listing Agreement entered into by the Company with the Bombay Stock Exchange.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent as mentioned below:

1. The Company has not appointed a women director on the Board as per the requirements of Section 149 of the Companies Act, 2013.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors and there are no changes in the composition of the Board of Directors that took place during the period under review.

Adequate notice is given to all directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while dissenting members' view are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. The Company has put in a system to monitor the compliance with various labour laws applicable to the Company and is still in the process of ensuring complete compliance at all levels.

I further report that during the audit period, the Company has issued 10,75,000 Equity Shares of Rs. 10 each at a premium of Rs. 18 per share on April 09, 2015. The Company has issued Listed Non-convertible debentures of Rs. 10 Crores 24th June 2015. Further, the Company has issued Non-Convertible debentures of Rs. 5 Crores on 15 th February 2016 & Rs. 5 Crores on 16th February 2016, which are yet to be listed.

Place: Bangalore
Date: May 24, 2016

SD/-
Pallavi P. Rao
ACS No.: 24862
C. P. No.: 8955

This report is to be read with my letter of even date which is annexed as **ANNEXURE A** and forms an integral part of this report.

ANNEXURE A

To,
The Members,
Chaitanya India Fin Credit Private Limited.

My report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the Management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that

correct facts are reflected in secretarial records. I believe that the practices and processes that I followed provide a reasonable basis for my opinion.

3. I have not verified the correctness and appropriateness of the financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules, regulations and happening of events, etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the Management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Bangalore
Date: May 24, 2016

ANNEXURE 4 – EXTRACT OF ANNUAL RETURN

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
as on financial year ended on 31.03.2016
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION AND OTHER DETAILS

i	CIN	U67190KA2009PTC049494
ii	Registration Date	31-03-2009
iii	Name of the Company	Chaitanya India Fin Credit Private Ltd
iv	Category/Sub-category of the Company	NBFC- MFI
v	Address of the Registered office & contact details	NO-312, 14-P, SKYLINE SURABHI APARTMENTS, VIDYAPEETA MAIN ROAD, BSK 3RD STAGE, BANGALORE-560085. TEL: 080-26750010, FAX: 080-26756767
vi	Whether listed company	Yes- (Debt securities listed)
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	**Karvy Computershare Pvt. Ltd.** 7th floor| 701| Hallmark Business Plaza| Sant Dnyaneshwar Marg | Opp Guru Nanak Hospital Off Bandra Kurla Complex Bandra East | Mumbai - 400 051| India P : (022) 6149 1635

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
	NBFC- MFI - Micro lending	641	100%
1.	JLG		93.40%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SL No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD
1	Chaitanya Rural Intermediation Development Services Private Ltd Reg off: No-312, 14-P, Skyline Surabhi Apartments, Vidyapeeta Main Road, Bsk 3rd Stage, Bangalore- 560085.	U65923KA2012PTC062537	Holding Company	100%

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				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	-	1	1	0.001%	0	1	1	0.001%	NIL
b) Central Govt.or State Govt.	-	-	-	-	-	-	-	-	-
c) Bodies Corporates	-	-	-	-	-	-	-	-	-
d) Bank/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
SUB TOTAL:(A) (1)	-	1	1	0.001%	0	1	1	0.001%	NIL
(2) Foreign									
a) NRI- Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other…	-	-	-	-	-	-	-	-	-
SUB TOTAL (A) (2)	-	-	-	-	-	-	-	-	-
Total Shareholding of	**-**	**1**	**1**	0.001%	**0**	**1**	**1**	0.001%	**NIL**

Promoter (A)= (A)(1)+(A)(2)									
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
C) Central 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	-	11706925	11706925	99.99%	-	12781925	12781925	99.99%	**-**
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):	-	11706925	11706925	99.99%	-	12781925	12781925	99.99%	**-**
Total Public Shareholding (B)=(B)(1)+(B)(2)	**-**	**11706925**	**11706925**	**99.99%**	**-**	**12781925**	**12781925**	**99.99%**	**-**
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	**11706926**	**11706926**	**100%**	**-**	**12781926**	**12781926**	**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	Samit S Shetty	-	-	-	-	-	-	-
2	Anand Rao	1	0.001%	-	1	0.001%	-	-
	Total	1	0.001%	-	1	0.001%	-	-

(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
	At the beginning of the year	1	0.001%	-	-
	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)*	1	0.001%	-	-
	At the end of the year	1	0.001%		

(iv) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS & HOLDERS OF GDRS & ADRS)

SL. No		Shareholding at the end of the year		Cumulative Shareholding during the year	
	For Each of the Top 10 Shareholders	No. of shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year	11,706,925	99.99%	1075000	99.99%
	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)*	12,781,925	99.99%		
	At the end of the year (or on the date of separation, if separated during the year)	-	-	-	-

(v) SHAREHOLDING OF DIRECTORS & KMP

Sl. No		Shareholding at the end of the year		Cumulative Shareholding during the year	
	For Each of the Directors & KMP	**No .of shares**	**% of total shares of the company**	**No of shares**	**% of total shares of the company**
	Anand Rao	1	0.001%	-	-
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-	-	-	-
	At the end of the year	1	0.001%		

INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	**Unsecured Loans**	**Deposits**	**Total Indebtedness**
Indebtedness at the beginning of the financial year				
i) Principal Amount	111,83,32,753	43,04,000	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**111,83,32,753**	**43,04,000**	-	-
Change in Indebtedness during the financial year		-	-	-
Additions	124,30,00,000	20,00,00,000	-	-
Reduction	79,48,68,647	84,70,667	-	-
Net Change	**44,81,31,353**	**19,15,29,333**	-	-
Indebtedness at the end of the financial year		-	-	-
i) Principal Amount	156,64,64,106	19,58,33,333	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	73,09,934	-	-	-
Total (i+ii+iii)	**157,37,74,040**	**19,58,33,333**	-	-

V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. REMUNERATION TO MANAGING DIRECTOR, WHOLE TIME DIRECTOR AND/OR MANAGER:

SL .No	Particulars of Remuneration	Name of the MD/WTD/Manager		Total Amount
1	**Gross salary**	Anand Rao	Samit S Shetty	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	2,298,290	2,298,290	4,596,580
	(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)	-	-	
	Total (A)	22,98,290	22,98,290	4,596,580
	Ceiling as per the Act	NA	NA	NA

B. REMUNERATION TO OTHER DIRECTORS:

SL No	Particulars of Remuneration	Name of the Directors		Total Amount
1	Independent Directors	K S Ravi	R Nanda Kumar	
	(a) Fee for attending board committee meetings	75,000	75,000	1,50,000
	(b) Commission	0	0	
	(c) Others, please specify	0	0	
	Total (1)	75,000	75,000	1,50,000
2	Other Non Executive Directors	Ramesh S	Mr. Ane Narasimha	
	(a) Fee for attending board committee meetings	60,000	45,000	1,05,000
	(b) Commission			
	(c) Others, please specify.			
	Total (2)	60,000	45,000	1,05,000
	Total (B)=(1+2)	**135,000**	**120,000**	**2,55,000**
	Total Managerial Remuneration			
	Overall Ceiling as per the Act.	NA	NA	NA

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
1	**Gross Salary**	**CEO**	**Company Secretary**	**CFO**	**Total**
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	-	3,84,000	3,21,034	7,05,034

	(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	**-**	3,84,000	3,21,034	**7,05,034**

VI. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: NOT APPLICABLE

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	-	-	-	-	-

Independent Auditor's Report

To the Members of CHAITANYA INDIA FIN CREDIT PRIVATE LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Chaitanya India Fin Credit Private Limited** ('the Company'), which comprise the balance sheet as at 31 March 2016, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these 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 thereunder.

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

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, of the state of affairs of the Company as at 31 March 2016 and its profit and its cash flows for the year ended on that date.

M/S. RAMESH ASHWIN & KARANTH F.R.No. 010680S Chartered Accountants

Partners
Ramesh B N (M.No : 015170) Mob: 9448468958
Ashwin B R (M.No : 214199) Mob: 9886415958
Prashanth Karanth (M.No: 214235) Mob: 9886282946

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 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act;

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

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

i. the Company doesn't have any Pending litigations as on Balance Sheet date.

ii. the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses.

iii. the Company is not required to transfer any amount to the Investor Education and Protection Fund by the Company.

For Ramesh Ashwin & Karanth
Chartered Accountants
Firm's registration number: 010680S

M/S. RAMESH ASHWIN & KARANTH
F. R. No
010680S
Chartered Accountants

Place: Bangalore
Date: 30.05.2016

Prashanth Karanth
Partner
Membership number: 214235

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 2016, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All fixed assets have been physically verified by the management during the year and the material discrepancies noticed during the visit have been properly dealt in books of accounts.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no any immovable properties held in the name of the Company.

(ii) The Company is not manufacturing or trading in goods and does not deal with stores, spare parts and raw materials. Hence, clauses 3 (ii) (a), 3 (ii) (b) & 3 (ii) (c) are not applicable.

(iii) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Hence the Clauses 3 (iii) (a), 3 (iii) (b) and 3 (iii) (c) are not applicable.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.

(v) The Company has not accepted any deposits from the public.

(vi) Maintenance of cost records as prescribed by the Central Government under section 148 (1) of the Companies Act, 2013 is not applicable to the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, Employee state insurance, profession 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, Employee state insurance, profession tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31 March 2016 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there is no amounts payable in respect of provident fund, income-tax, Employee state insurance, profession tax, duty of customs, service tax, cess which have not been deposited on account of any disputes.

(viii) The Company has not defaulted in repayment of loans or borrowings to any financial institution, banks, government or debenture holders during the year.

(ix) According to the information and explanations given to us, The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). However, it raised term loans from banks and Financial Institutions during the year and the company has utilized the money raised by way of Term Loans for the purposes for which it was raised.

(x) According to the information and explanations given to us, we report that the following fraud has been noticed during the course of our audit:

M/s. Ramesh Ashwin & Karanth
F.R. No. 010680S
Chartered Accountants

Partners
Ramesh B N (M.No : 015170) Mob: 9448468958
Ashwin B R (M.No : 214199) Mob: 9886415958
Prashanth Karanth (M.No: 214235) Mob: 9886282946

Category	For the year ended 31st March 2016	
	No Of Instances	Amount Rs.
Embezzlement of Cash by Employee	01	81,755.00

Note: Out of the above an amount of Rs. 50,000/- has been recovered by the company.

(xi) The Provisions of Sec 197 of Companies Act 2013 shall apply only to a Public Company. Since Chaitanya India Fin Credit Private Limited is a Private Limited Company, Clause 3 (Xi) is not applicable.

(xii) 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.

(xiii) 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.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, paragraph 3 (xiv) of the Order is not applicable.

(xv) 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.

(xvi) The Company has been registered under section 45-IA of the Reserve Bank of India Act 1934.

For Ramesh Ashwin & Karanth
Chartered Accountants
Firm's registration number: 010680S

Place: Bangalore
Date: 30.05.2016

M/s. Ramesh Ashwin & Karanth
F. R. No. 010680S
Chartered Accountants

Prashanth Karanth
Partner
Membership number: 214235

Partners
Ramesh B N (M.No : 015170) Mob: 9448468958
Ashwin B R (M.No : 214199) Mob: 9886415958
Prashanth Karanth (M.No: 214235) Mob: 9886282946

Annexure - B to the Auditors' Report

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 **Chaitanya India Fin Credit Private Limited** ("the Company") as of 31 March 2016 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, 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:

M/S. RAMESH ASHWIN & KARANTH F. R. No. 010680S Chartered Accountants

M/S RAMESH ASHWIN & KARANTH
CHARTERED ACCOUNTANTS
Firm Reg. No : 010680S
Partners
Ramesh B N (M.No : 015170) Mob: 9448468958
Ashwin B R (M.No : 214199) Mob: 9886415958
Prashanth Karanth (M.No: 214235) Mob: 9886282946

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

For Ramesh Ashwin & Karanth
Chartered Accountants
Firm's registration number: 010680S

Place: Bangalore
Date: 30.05.2016

F. R. No. 010680S
Chartered Accountants

Prashanth Karanth
Partner
Membership number: 214235

Premier Presidency, # 35/17, 1st Floor, Langford Road, Opp. St. Joseph College,
Bangalore - 560 025. Phone: 080 - 41464630. Email: rakca2004@gmail.com

CHAITANYA INDIA FIN CREDIT PRIVATE LIMITED

CIN: U67190KA2009PTC049494

NO. 312, 14 - P, SKYLINE SURABHI APARTMENT, VIDYAPEETA MAIN ROAD, BSK 3RD STAGE, BANGALORE - 560085

Balance Sheet as at March 31, 2016

Particulars	Note No.	March 31, 2016 (Rupees)	March 31, 2015 (Rupees)
I. EQUITY AND LIABLITIES			
(1) Share holder's fund			
(a) Share capital	3	127,819,260	117,069,260
(b) Reserves and surplus	4	131,213,026	96,938,678
		259,032,286	214,007,938
(2) Share application money pending allotment		-	30,100,000
(3) Non-current Liabilities			
(a) Long term borrowings	5	869,658,828	460,237,968
(b) Long-term provision	6	3,542,032	713,664
		873,200,860	460,951,632
(4) Current Liabilities			
(a) Short term borrowings	7	36,000,000	86,686,005
(b) Trade payables	8	46,200,757	14,529,302
(c) Other current liabilities	9	875,472,753	579,328,480
(d) Short-term provisions	10	40,610,561	12,399,065
		998,284,071	692,942,852
TOTAL		2,130,517,217	1,398,002,422
II. ASSETS			
(1) NON-CURRENT ASSETS			
(a) Fixed assets			
(i) Tangible Assets (Net)	11	13,958,211	9,030,854
(ii) Intangible Assets	12	1,940,913	926,688
		15,899,124	9,957,542
(b) Deferred tax assets (Net)	13	7,859,027	3,800,140
(c) Long term loans and advances	14A	4,726,232	2,848,056
(d) Loans and advances towards Financing Activities - [Long Term]	14B	353,909,406	71,160,212
(e) Other Non-Current Assets	15	78,009,856	67,198,152
		460,403,645	154,964,102
(2) CURRENT ASSETS			
(a) Cash and cash equivalents	16	108,905,057	396,301,291
(b) Loans and advances towards Financing Activities - [Short Term]	17	1,524,964,455	827,350,590
(c) Other Short Term Loans & Advances	18	15,540,958	11,507,119
(d) Other Current Assets	19	20,703,102	7,879,320
		1,670,113,572	1,243,038,320
TOTAL		2,130,517,217	1,398,002,422

See accompanying notes to the financial statements

In terms of our report of even date attached

RAMESH ASHWIN & KARANTH
CHARTERED ACCOUNTANTS
(REGN No.: 010680S)

PRASHANTH KARANTH
a Partner
Membership No.: 214235

Place: Bangalore
Date: 30.05.2016

For and on behalf of
CHAITANYA INDIA FIN CREDIT PRIVATE LIMITED

ANAND RAO
Jt. Managing Director
DIN: 01713987

SAMIT S SHETTY
Managing Director
DIN: 02573018

SRINIVASAN C V
Chief Financial Officer

DIMPLE SHAH
Company Secretary

CHAITANYA INDIA FIN CREDIT PRIVATE LIMITED

CIN: U67190KA2009PTC049494

NO. 312, 14 - P, SKYLINE SURABHI APARTMENT, VIDYAPEETA MAIN ROAD, BSK 3RD STAGE, BANGALORE - 560085

Statement of Profit and Loss for the year ended March 31, 2016

	Particulars	Note No.	Year ended March 31, 2016 (Rupees)	Year ended March 31, 2015 (Rupees)
I.	Revenue from Operations	20	354,406,890	189,424,170
II.	Other Income	21	17,992,972	11,685,462
III.	**TOTAL REVENUE (I+II)**		**372,399,861**	**201,109,632**
IV.	Expenses			
	(a) Finance Cost	22	193,896,454	103,696,905
	(b) Employee benefits expenses	23	88,035,677	48,341,538
	(c) Depreciation and amortisation expense	11 & 12	5,835,575	3,940,576
	(d) Other Administrative expense	24	51,929,030	30,045,221
	(e) Bad Debts Written Off		204,899	113,321
	(f) Provision for Receivables under Financing Activity		9,807,228	4,217,197
	TOTAL EXPENSES		**349,708,863**	**190,354,759**
V	Profit / (loss) before exceptional and extraordinary items and tax (III-IV)		22,690,998	10,754,873
VI.	Exceptional items		-	-
VII.	Profit / (loss) before extraordinary items and tax (V - VI)		**22,690,998**	**10,754,873**
VIII.	Extraordinary items		-	-
IX.	Profit / (loss) before tax (VII - VIII)		**22,690,998**	**10,754,873**
X.	Provision for taxation:			
	(a) Current tax		11,825,537	4,840,614
	(b) Deferred tax provision / (write back)		(4,058,887)	(2,424,339)
XI.	Profit / (loss) for the period from continuing Operations		14,924,348	8,338,598
XII.	Profit / (loss) for the period from discontinuing Operations		-	-
XIII.	Tax expense of discontinuing operations		-	-
XIV.	Profit / (loss) for the period from discontinuing Operations (after tax)		-	-
XV.	Profit / (loss) for the period		**14,924,348**	**8,338,598**
Earnings Per Share				
Basic			1.17	0.85
Diluted			1.17	0.85

See accompanying notes to the financial statements

In terms of our report of even date attached

RAMESH ASHWIN & KARANTH
CHARTERED ACCOUNTANTS
(REGN No.: 010680S)

M/S RAMESH ASHWIN & KARANTH F.R. No. 010680S Chartered Accountants

PRASHANTH KARANTH
a Partner
Membership No.: 214235

For and on behalf of
CHAITANYA INDIA FIN CREDIT PRIVATE LIMITED

ANAND RAO
Jt. Managing Director
DIN: 01713987

SAMIT S SHETTY
Managing Director
DIN: 02573018

SRINIVASAN C V
Chief Financial Officer

DIMPLE SHAH
Company Secretary

Place: Bangalore
Date: 30.05.2016

CHAITANYA INDIA FIN CREDIT PVT. LTD. Bangalore

CHAITANYA INDIA FIN CREDIT PRIVATE LIMITED
CIN: U67190KA2009PTC049494
NO. 312, 14 - P, SKYLINE SURABHI APARTMENT, VIDYAPEETA MAIN ROAD, BSK 3RD STAGE, BANGALORE - 560085

Cash Flow Statement

		For the Year Ended 31.03.2016 (Rupees)		For the Year Ended 31.03.2015 (Rupees)	
A	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net Profit Before Tax		**22,690,998**		**10,754,873**
	Adjustments for:				
	Add: Depreciation	5,835,575		3,982,479	
	Dividend Income	-		(3,071,266)	
	Assets Written off / Loss on sale of Assets	-		4,944	
	Short Term Capital Loss			-	
	Interest & Finance Charges Paid	193,896,454	199,732,029	103,696,905	104,613,063
	Operating Profit before Working Capital Changes		**222,423,027**		**115,367,936**
	Adjustments for:				
	Decrease/ (Increase) in Cash Margin & Deposits	(12,330,054)		(30,220,793)	
	Decrease/(Increase) in Loans & Advances	(983,113,443)		(421,839,343)	
	Decrease /(Increase) in Other Current Assets	(18,525,950)		(14,644,182)	
	Increase/(Decrease) in Payables & Others	77,929,762	(936,039,684)	3,292,391	(463,411,927)
	Cash generated from operations		**(713,616,657)**		**(348,043,991)**
	Income Tax paid		(7,766,650)		(2,416,275)
	Net Cash flow from Operating activities		**(721,383,307)**		**(350,460,266)**
B	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Purchase of Fixed Assets	(11,777,158)		(7,069,881)	
	Sale of Fixed Assets	-		6,500	
	Short Term Capital Loss	-		-	
	Dividend Income	-		3,071,266	
	Net Cash used in Investing activities		**(11,777,158)**		**(3,992,115)**
C	**CASH FLOW FROM FINANCING ACTIVITIES**				
	(Decrease)/Increase in Borrowings	639,660,685		645,232,090	
	Increase in Share Capital	10,750,000		24,400,000	
	Increase/(Decrease) in Share Application Money	(30,100,000)		30,100,000	
	Increase in Securities Premium	19,350,000		36,600,000	
	Interest & Finance Charges paid	(193,896,454)		(103,696,905)	
	Net Cash used in financing activities		**445,764,231**		**632,635,185**
	Net increase in cash & Cash Equivalents		(287,396,234)		278,182,795
	Cash and Cash equivalents Opening Balance		396,301,291		118,118,496
	Cash and Cash equivalents Closing Balance		108,905,057		396,301,291
	Cash & Cash Equivalents		As on 31.03.2016		As on 31.03.2015
	Cash in Hand		255,617		239,727
	Cash at Bank (Current Account)		51,446,906		157,207,935
	Cash at Bank (Cash Collateral & FD)		57,202,534		238,853,629
	Cash & Cash equivalents as stated		**108,905,057**		**396,301,291**

See accompanying notes to the financial statements
In terms of our report of even date attached

RAMESH ASHWIN & KARANTH
CHARTERED ACCOUNTANTS
(REGN No.: 010680S)

RAMESH ASHWIN & KARANTH Chartered Accountants FR. No. 010680S

PRASHANTH KARANTH
a Partner
Membership No.: 214235

Place: Bangalore
Date: 30.05.2016

CHAITANYA INDIA FIN CREDIT PVT. LTD. Bangalore

For and on behalf of
CHAITANYA INDIA FIN CREDIT PRIVATE LIMITED

ANAND RAO	**SAMIT S SHETTY**
Jt. Managing Director	**Managing Director**
DIN: 01713987	DIN: 02573018
SRINIVASAN C V	**DIMPLE SHAH**
Chief Financial Officer	Company Secretary

Notes forming part of financial statements for the year ended 31.03.2016

1. CORPORATE INFORMATION

Chaitanya India Fin Credit Private Limited was incorporated on March 31, 2009, to carry on the business of Lending, Installment Financing, Bill discounting, Providing Working Capital and Term Loan Facilities to Small and Medium Business Enterprises including Individual loans, with or without all or any types of securities. And the Company act's as facilitator for provision of micro finance, savings and other financial services by acting as intermediaries between Bank, Financial Institutions, Individuals, Corporate bodies or other entities (whether incorporated or not), of one part, with The Self Help Groups (SHG), Members of SHGs, discrete individuals or small groups which are in the process of forming SHGs and / or other micro-credit aspirants, And to assist, execute, provide consultancy service and promote and finance such programs, either directly or through an independent agency and/or in any other manner.

The Company is a Non-Banking Finance Company - Micro Finance Institution (NBFC-MFI). The Company has received Certificate of registration from Reserve Bank of India dated 25th September 2009, to Cary on the business of Non- Banking Financial Institution without accepting deposits. During the year ended 31st March 2014, the company has obtained registration under the Non-Banking Finance Company - Micro Finance Institution (Reserve Bank) Directions, 2011 vide RBI Letter dated 05th September 2013.

Chaitanya India Fin Credit Private Limited is a subsidiary of Chaitanya Rural Intermediation Development Services Private Limited with effect from 12th November 2014.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Accounting

The Financial Statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 2013 Act, as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the Financial Statements are consistent with those followed in the previous year.

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

b) Revenue Recognition

i. Revenue from Interest on loans financed by the Company is recognized on accrual basis, except for loans outstanding for more 90 days which will be recognized only on receipt basis, considering the directions issued by the RBI from time to time.

ii. Revenues from loan processing charges are recognized as income on cash basis.

iii. Income on securitization is recognized on the basis of Circular DBOD.No.BP.BC.60/21.04.048/2005-06 dated 1st February 2006 issued by RBI. The said circular has prescribed a formula for Amortization of Securtiaztion Profits. Till 31st March 2015, the company has been recognizing the Securitization Income on Cash Basis. This amounts to change in Accounting policy during 2015-16. Due to the said change the profit of the company was reduced to the extent of Rs.65,63,717/-. But the Change in Accounting Policy is warranted as the company was required to comply with provisions mentioned in above said Circular.

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iv. Revenue from interest income in fixed deposits with banks is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.

v. Short term capital gains on sale of investment instruments (treasury operations) are recognized on actual sale of instruments.

c) **Use Of Estimates**

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the results of operations at the end of reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively.

d) **Fixed Assets**

i. **Tangible Fixed Assets**

Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of a tangible asset comprises its purchase price net of any trade discounts and rebates, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities) and any directly attributable expenditure on making the asset ready for its intended use.

ii. **Intangible Fixed Assets**

Intangible assets are carried at cost less accumulated amortization and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities) and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase / completion is recognized as an expense when incurred, unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

e) **Depreciation and Amortization**

Depreciation on Tangible Fixed Assets has been provided on the Written down value method as prescribed in Schedule II of Companies Act 2013 or the rates determined by the management as per estimated useful life of the Assets, whichever is higher. In case the remaining useful life of the asset is nil as on the opening day of the Financial year as per Schedule II of Companies Act 2013, the net carrying amount of such asset minus residual value has been charged to Retained earnings as per The Application Guide on the Schedule II to the Companies Act 2013 issued by Institute of Chartered Accountants of India. All Individual Assets (other than Furniture & Fixtures and Office equipments) valued less than Rs. 5000/- are depreciated in full in the year of acquisition. The Useful life of the Assets are as follows:

Tangible Assets:

Sl. No	Asset	Useful Life (In Years)
1.	Furniture & Fixtures	10
2.	Computer &Peripherals	3
3.	Office Equipments	5
4.	Electrical Equipments	10
5.	UPS	10
6.	Motor Bikes	10
7.	Motor Van	8
8.	Safe Locker	10

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Intangible Assets:

Sl. No	Asset	Useful Life (In Years)
1.	Computer Software	3

The company is charging depreciation on Computer software on Straight Line method as the company feels the same would result in a more appropriate presentation of Financial Statements.

f) Investments

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried at the lower of cost and fair market value. Cost of investments includes acquisition charges such as brokerage, fees and duties.

g) Employee Retirement Benefits

Employee benefits include provident fund, gratuity and ESI.

Defined contribution plan:

The Company's contribution to provident fund and ESI are considered as defined contribution plan and are charged as an expense as they fall due based on the amount of contribution required to be made and when the services are rendered by the employees.

Defined benefit plans:

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit (PUC) actuarial method, with actuarial valuations being carried out at balance sheet date. Actuarial gains and losses are recognized in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognized immediately to the extent that the benefits are already vested and otherwise is amortized on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognized in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost, as reduced by the fair value of scheme assets.

Company adopted Accounting Standard 15 "Employee Benefits" ('AS 15') as specified in Rule 3 of the Companies (Accounting Standard) Rules, 2006:

Particulars	31 March 2016 (Rs.)	31 March 2015 (Rs.)
Change in present value of obligation		
Present value of obligation as at the beginning of the year	17,94,649	-
Current service cost	17,43,025	-
Interest cost	1,43,572	-
Actuarial (gain) / loss	(24,185)	-
Benefits paid	-	-
Present value of obligation as at the end of the year	36,57,061	17,94,649
Change in plan assets		
Plan assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Contribution by the Company	-	-
Benefits paid	-	-
Actuarial gain / (loss)	-	-

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Plan assets at the end of the year	-	-
Liability recognized in the financial statement	**36,57,061**	**17,94,649**
Expense recognized in the Statement of Profit and Loss		
Current service cost	17,43,025	17,94,649
Interest cost	1,43,572	-
Actuarial (gain) / loss	(24,185)	-
Expense recognized in the Statement of Profit and Loss	18,62,412	17,94,649
Constitution of plan assets		
Other than equity, debt, property and bank a/c	**Not applicable**	Not applicable
Funded with LIC	**Not applicable**	Not applicable

Particulars	**31 March 2016 (Rs.)**	**31 March 2015 (Rs.)**
Main actuarial assumptions		
Discount rate	8.00%	8.00%
Expected future salary increase*	5.00%	5.00%
Expected rate of return on plan assets	-	-
Demographic assumptions		
Retirement age	60 years	65 years
Mortality table	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Withdrawal rate:		
Up to 25 years	8%	8%
26 to 30 years	7%	7%
31 to 35 years	6%	6%
36 to 40 years	5%	5%
41 to 45 years	4%	4%
46 to 50 years	3%	3%
51 to 55 years	2%	2%
Above 56 years	1%	1%

Particulars	**For the year ended 31 March 2016**	**For the year ended 31 March 2015**
Present value of obligation at the end	36,57,061	17,94,649
Fair value of plan assets at the end	-	-
Net liability recognized in Balance Sheet	36,57,061	17,94,649
Experience adjustment on plan liabilities (loss) / gain	(24,185)	-
Experience adjustment on plan assets (loss) / gain	-	-

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h) Asset classification & Provisioning

1. **Classification of Assets:**

The Company follows Prudential Norms of the Reserve Bank of India (RBI) with regards to classification in respect of all loans extended to its customers. Loans where the installment is overdue for a period of 90 days or more or on which interest amount remained overdue for a period of 90 days or more is treated as Non Performing Assets. Provision is made for loan assets as per the RBI Circular No. RBI/2015-16/22 DNBR.(PD)CC.No. 045/ 03.10.119 /2015-16, Dated 1st July 2015.

Classification of Assets	As at 31st March 2016	As at 31st March 2015
Standard Assets	**187,23,18,755**	**89,46,32,553**
Sub-standard Assets		
Secured Loans	56,84,584	34,61,400
Unsecured Loans(JLG loans)	8,70,522	4,16,849
Total Sub- Standard Assets	**65,55,106**	**38,78,249**
Staff Loans	11,75,244	8,15,418
Total	**188,00,49,105**	**89,93,26,220**

2. **Provisioning Norms for Loans - As Per RBI Guidelines**[Non-Banking Financial Companies - Micro Finance Institutions (Reserve Bank) Directions, 2011]

The aggregate loan provision to be maintained by NBFC-MFIs at any point of time shall not be less than the higher of the following:

1% of the outstanding loan portfolio or

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

Provision for Assets	As at 31st March 2016	As at 31st March 2015
1% of Aggregate Loan Portfolio (A)	**188,00,491**	**89,93,263**
50% of the aggregate loan installments which are overdue for more than 90 days and less than 180 days	12,62,295	6,29,665
100% of the aggregate loan installments which are overdue for 180 days or more	28,51,410	16,69,271
Total Provision on Sub-Standard Assets (B)	**41,13,705**	**22,98,936**
Higher of (A) & (B)	188,00,491	89,93,263
Less: Provision at the Beginning of the Period	89,93,263	47,76,066
Additional Provision for the FY	98,07,228	42,17,197

Note: *Provision for Standard Assets for the Financial Year 2015-16 - Rs. 146,86,786/-. Provision for Standard Assets for the Previous Financial Year 2014-15 - Rs. 66,94,327/-.*

i) Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognized as operating leases. Lease rentals under operating leases are recognized in the Statement of Profit and Loss on a straight-line basis.

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j) **Provisions and Contingencies**

A provision is recognized when an enterprise has a present obligation as a result of past event, 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 are not discounted to its present value and are determined based on 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.

All material known liabilities are provided for and liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty are treated as contingent and disclosed by way of notes to the accounts.

k) **Taxes on Income**

Tax expense comprises of current and deferred tax.

Current income tax is measured after taking into consideration benefits/disallowances admissible under the provisions of the Income Tax Act, 1961.

Deferred tax is recognized, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets on unabsorbed depreciation and carried forward business losses, are recognized only if there is virtual certainty that they will be realized and are reviewed every year. The tax effect is calculated on the accumulated timing differences at the end of the period based on enacted or substantially enacted tax rates.

l) **Deferred Tax Expense/ Income**

The Deferred Tax Expense /Income for the period ended 31.03.2016 is worked out by considering the difference between depreciation under the Companies Act, 2013 and the Income Tax Act, 1961, recognition of preliminary expenses to the extent permitted under section 35D of the Income Tax Act, 1961, difference in treatment of provision for standard assets/ provision for Gratuity under Income Tax act 1961, Companies Act 2013 and difference between Unabsorbed Capital loss under Income tax 1961, and Companies act 2013.

m) The Balances in Trade payables, Other current liabilities [other than current maturities of long term borrowings], short term provisions, Long Term / Short Term Loans & Advances towards financing activities, Long Term / Short Term Loans & Advances and Other Current assets are subject to confirmation.

n) Provisions for all known liabilities are adequate in the opinion of the Management.

o) The Company has written off Bad debts to the tune of Rs 2,04,899/- as the company feels that the chances of recovery of the said advances are remote.

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p) Related Party Disclosures

Nature of Transaction	Related Party	Relationship	For the Year Ended 31st March 2016	For the Year Ended 31st March 2015
			Rs.	Rs.
Remuneration to Key Managerial Personnel	Mr. Anand Rao	Managing Director	22,98,290	17,63,904
	Mr. Samit Shankar Shetty	Director	22,98,290	17,63,904
	Mr. Ane Narasimha	Director	-	1,44,800
	Mr. Srinivasan C V	CFO	3,21,034	-
	Total		**49,17,614**	**36,72,608**
Director's Sitting Fees	Mr. K S Ravi	Director	75,000	30,000
	Mr. R Nanda Kumar	Director	75,000	30,000
	Mr. Ramesh Sundaresan	Nominee Director	60,000	30,000
	Mr. Ane Narasimha	Director	45,000	-
	Total		**2,55,000**	**90,000**
Share Application Money Received	Chaitanya Rural Intermediation Development Services Pvt. Ltd.	Holding Company	-	9,11,00,000
Equity Shares allotted	Chaitanya Rural Intermediation Development Services Pvt. Ltd.	Holding Company	107,50,000	2,44,00,000
Securities Premium Received	Chaitanya Rural Intermediation Development Services Pvt. Ltd.	Holding Company	193,50,000	3,66,00,000
Sale of Loan Portfolio	Chaitanya Rural Intermediation Development Services Pvt. Ltd.	Holding Company	200,15,013	-

q) Auditors Remuneration

PARTICULARS	2015-2016
STATUTORY AUDIT FEES	1,20,000/-
TAX AUDIT FEES	30,000/-
SERVICE TAX	21,750/-

r) During the year company has auctioned the gold & 2 Wheelers in case of defaults in repayment of gold loans & 2 Wheeler Loans. The details of such auction conducted during the year are as follows.

Particulars	Number of Cases	Auction Proceeds
Gold	44	11,20,300/-
2 Wheeler	51	15,86,477/-

s) The company has Qualifying assets of Rs. 175,33,53,571/- the qualifying assets is as defined in RBI **Circular** No. **RBI/2015-16/20 DNBR.(PD)CC.No. 047 /03.10.119/2015-16, Dated 1st July 2015** the percentage of qualifying assets to total assets is **90.47%**.

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t) Capital Adequacy Ratio

Capital Adequacy Ratio		
Particulars	As at 31st March 2016 (Rs.)	As at 31st March 2015 (Rs.)
Tier I Capital	24,31,01,748	21,04,17,036
Tier II Capital	10,96,84,441	66,94,327
Total Capital	35,27,86,189	21,71,11,363
Total Risk Assets	193,87,14,605	96,65,60,721
Capital Ratios		
Tier I Capital as a percentage of Total Risk Assets (%)	12.54%	21.77%
Tier II Capital as a percentage of Total Risk Assets (%)	5.66%	0.69%
Total Capital (%)	**18.20%**	**22.46%**

u) **Disclosure as required under** RBI **Circular** No. **RBI/2015-16/20 DNBR.(PD)CC.No. 047 /03.10.119/2015-16, Dated 1st July 2015:**

Margin Cap of the Company as on 31 March 2016 is 9.75%. This has been computed as suggested by MFIN in their representation to the RBI Circular No. RBI/2015-16/20 DNBR.(PD)CC.No. 047 /03.10.119/2015-16, Dated 1st July 2015.

v) **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 at the time of availment of the Loan.

w) **Segment reporting**

The company does not have a distinguishable and reportable business or geographical segment. As such disclosure requirements stated in Accountant Standard -17(Segment reporting) are not applicable to the company.

x) **Earnings per Share**

Basic earnings per share is computed by dividing the profit / (loss) 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 / (loss) 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. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

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y) **Impairment of Assets**

The carrying values of assets are reviewed at each reporting date to determine if there is indication of any impairment. If any indication exists, the assets recoverable amount is estimated. For assets that are not yet available for use, the recoverable amount is estimated at each reporting date. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the Statement of Profit and Loss. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortization, as if no impairment loss had been recognised.

z) **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. 29,84,870/- (Previous Year Rs. 16,67,720/-), out of the net profit after the tax for the year ended 31st March 2016 to Statutory Reserve.

aa) **Securitization of Assets**

As per the RBI Guidelines on Securitization on Standard Assets issued on 6 February 2006, the details of Assets De-recognised by way of securitisation are as under:

Particulars	For the Year Ended 31st March 2016 (Rs.)	For the Year Ended 31st March 2015 (Rs.)
Total Number of Loan Assets Securitized during the Year	12,943	13,415
Book Value of Loans Assets Securitized during the Year	15,37,15,490	10,92,07,324
Micro Finance Loans Subordinated as Credit Enhancements for Assets De-Recognised	-	-
Sale Consideration Received during the Year	16,43,79,648	11,36,70,752
Quantum of Credit Enhancement provided during the Year in the form of Deposits (including Accrued Interest)	1,00,04,690	89,88,872
Un-amortized Income as at year end	65,63,717	-
Interest spread Recognised in the Statement of Profit and Loss during the Year	14,14,340	44,63,428

bb) **Disclosures Pursuant to Reserve Bank of India Guidelines on Securitization Transactions RBI/2015-16/107 DNBR(PD).CC.NO.056/03.10.119/2015-16 dated July 1st 2015**

Sl. No.	Particulars	As at 31 March 2016	As at 31 March 2015
1	No of special purpose vehicle's (SPV's) sponsored by the NBFC for securitization transactions (Nos.)	3	3
2	Total amount of securitized assets as per books of the SPVs sponsored by the NBFC	15,37,15,490	10,92,07,324
3	Total amount of exposures retained by the NBFC to comply with Minimum Retention Ration(MRR) as on the date of balance sheet		
	a) Off-balance sheet exposures		
	- First loss	-	-

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	- Others	-	-
	b) On-balance sheet exposures		
	- First loss (Cash Collateral) (including Accrued Interest)	1,00,04,690	89,88,872
	- Others (Investment in pass through Certificates)	-	-
4	Amount of exposures to securitisation transactions other than MRR		
	a) Off-balance sheet exposures		
	i) Exposure to own securitizations		
	- First loss	-	-
	- Others	-	-
	b) On-balance sheet exposures		
	i) Exposure to own securitizations		
	- First loss	-	-
	- Others	-	-
	ii) Exposure to third party securitizations		
	- First loss	-	-
	- Others	-	-

cc) Disclosure for Buy-out Transactions

Particulars	For the Year Ended 31st March 2016 (Rs.)	For the Year Ended 31st March 2015 (Rs.)
No. of Buy-out Transactions during the year	5	2
Total Number of Loan Assets buy-out during the Year	13,241	1,489
Loans Assets buy-out during the Year	21,80,32,154	3,26,18,532
Total amount of exposures retained by the NBFC to comply with Minimum Retention Ration (MRR)	1,38,17,759	20,81,853
Consideration Received during the Year	20,42,14,395	3,26,18,532

dd) Disclosure Pursuant to paragraph 13 of Non- Banking Financial (Non- Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007):

	Particulars	As on 31 March 2016		As on 31 March 2015	
		Amount Outstanding in Rs.	Amount Overdue in Rs.	Amount Outstanding in Rs.	Amount Overdue in Rs.
	Liabilities:				
1	**Loans and Advances availed by the NBFC inclusive of interest accrued there on but not paid:**				
(a)	Debentures				
	- Secured	9,16,66,525	-	8,66,66,625	-
	- Unsecured	-	-	-	-
	(other than falling within the meaning of public deposits)				
(b)	Deferred Credits	-	-	-	-
(c)	Term Loans				
	- Secured	147,47,97,581	-	1,03,16,66,128	-
	- Unsecured	9,58,33,333	-	43,04,000	-
(d)	Inter- Corporate Loans and Borrowings	-	-	-	-
(e)	Commercial Paper	-	-	-	-
(f)	Cash Credits	-	-	-	-
(g)	Sub Debt	10,00,00,000	-	-	-

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	Particulars	Amount outstanding as at 31 March 2016 in Rs.	Amount outstanding as at 31 March 2015 in Rs.
	Assets:		
2	Break -up of loans and Advances including Bills Receivables [Other than those included in (3) below]:		
(a)	Secured	12,39,58,187	6,45,66,482
(b)	Unsecured (Refer Note(i)Below)	175,49,15,674	83,39,44,320

3	Break up of Leased Assets and Stock on Hire and Other Assets Counting towards AFC activities		
(i)	Lease Assets including Lease Rentals Accrued and Due:		
	(a) Financial Lease	-	-
	(b) Operating Lease	-	-
(ii)	Stock on Hire including Hire Charges under Sundry Debtors:		
	(a) Assets on Hire	-	-
	(b) Repossessed Assets	-	-
(iii)	Other Loans counting towards AFC Activities		
	(a) Loans where Assets have been Repossessed	-	-
	(b) Loans other than (a) above	-	-

	Particulars	Amount outstanding as at 31 March 2016 in Rs.	Amount outstanding as at 31 March 2015 in Rs.
4	Break-up if Investments		
	Current Investments		
I	Quoted:		
(i)	Shares: (a) Equity	-	-
	(b) Preference	-	-
(ii)	Debentures and Bonds	-	-
(iii)	Units of Mutual Funds	-	-
(iv)	Government Securities	-	-
(v)	Other (Please specify)		
II	Unquoted:		
(i)	Shares: (a) Equity	-	-
	(b) Preference	-	-
(ii)	Debentures and Bonds	-	-
(iii)	Units of Mutual Funds	-	-
(iv)	Government Securities	-	-
(v)	Other (Please specify)	-	-
	Long Term Investments		
I	Quoted:		
(i)	Shares: (a) Equity	-	-
	(b) Preference	-	-
(ii)	Debentures and Bonds	-	-
(iii)	Units of Mutual Funds	-	-
(iv)	Government Securities	-	-
(v)	Other(Please specify)	-	-
II	Unquoted:		
(i)	Shares: (a) Equity	-	-
	(b) Preference	-	-
(ii)	Debentures and Bonds	-	
(iii)	Units of Mutual Funds		
(iv)	Government Securities	-	-

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(v)	Investment in Pass Through Certificates	-	-

5	Borrower Group-wise Classification of Assets Financed as in(2)and (3) above				
	Category	As at 31 March 2016 Amount in Rs.		As at 31 March 2015 Amount in Rs.	
		Secured	Unsecured	Secured	Unsecured
1	Related Parties				
	(a) Subsidiaries	-	-	-	-
	(b) Companies in the same Group	-	-	-	-
	(c) Other Related Parties	-	-	-	-
2	Other than Related Parties	12,39,58,187	175,49,15,674	6,45,66,482	83,39,44,320
	Total	**12,39,58,187**	**175,49,15,674**	**6,45,66,482**	**83,39,44,320**

6	Investor Group-wise Classification of all Investments (Current and Long Term) in Shares and Securities (both Quoted and Unquoted):				
	Category	Market Value/ Break-up value or Fair value or Net Asset Value (Company's Share) as on 31 March 2016	Book Value as on 31 March 2016	Market Value/ Break-up value or Fair value or Net Asset Value (Company's Share) as on 31 March 2015	Book Value as on 31 March 2015
1	Related Parties				
(a)	Subsidiaries	-	-	-	-
(b)	Companies in the same Group	-	-	-	-
(c)	Other Related Parties	-	-	-	-
2	Other than Related Parties(Refer Note Below)"	-	-	-	-
	Total	-	-	-	-

7	Other Information				
	Category	As at 31 March 2016		As at 31 March 2015	
		Related Parties	Other than Related Parties	Related Parties	Other than Related Parties
(i)	Gross Non-Performing Assets	-	65,55,106	-	38,78,249
(ii)	Net Non-Performing Assets	-	24,41,401	-	15,79,313
(iii)	Assets Acquired in Satisfaction of Debt	-	-	-	-

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ee) Expenditure incurred in Foreign Currency (On Accrual basis):

Particulars	For the year ended 31st March 2016 (Rs.)	For the year ended 31st March 2015 (Rs.)
Web hosting charges	6,51,405.00	64,898.09

ff) **Payable to Micro & Small Enterprises**

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Based on the information presently available with the management, the disclosures required under Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act") are given below:

Sl No	Particulars	As at 31 March 2016 (Rs.)	As at 31 March 2015 (Rs.)
1	The principal amount remaining unpaid to any supplier as at the end of the year	-	-
2	The interest due on the principal remaining outstanding as at the end of the year	-	-
3	The amount of interest paid under the Act, along with the amounts of the payment made beyond the appointed day during the year	-	-
4	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act	-	-
5	The amount of interest accrued and remaining unpaid at the end of the year	-	-
6	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under the Act	-	-

gg) Details of Fraud Noticed during the year:

Based on the audit procedures performed and the information and explanations given to us, we report that the following Fraud has been noticed by the Company during the year-

Category	For the year ended 31st March 2016		For the year ended 31st March 2015	
	No Of Instances	Amount Rs.	No Of Instances	Amount Rs.
Embezzlement of Cash by Employee	01	81,755	01	1,04,966

Note: Out of the above an amount of Rs. 50,000/- has been recovered by the company.

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hh) Disclosures of Transactions Pursuant to clause 28 of the Debt Listing Agreement with BSE Limited

Sl. No	Loans and Advances in the nature of Loans	As at 31 March 2016		As at 31 March 2015	
		Amount Outstanding	Maximum Amount Outstanding during the year	Amount Outstanding	Maximum Amount Outstanding during the year
1	From Holding Company:				
	- Chaitanya Rural Intermediation Development Services Private Limited	-	-	-	-
2	To Fellow Subsidiaries				
3	To Associates				
	-No Associate during the Current Year	-	-	-	-
4	Where there is				
	- No Repayment Schedule	-	-	-	-
	Repayment Schedule beyond seven years				
	- No Interest	-	-	-	-
	Interest below the rate as specified in section 372A of the Companies Act	-	-	-	-
5	To Firms/ Companies in which directors are interested (other than the 1 and 2 above).	-	-	-	-
6	Investments by Loanee in the shares of Parent and Subsidiary Company	-	-	-	-

ii) Previous year figures have been regrouped wherever necessary.

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Notes Forming Part Of Balance Sheet

3 SHARE CAPITAL

(Amount in Rupees)

Particulars	As at March 31, 2016	As at March 31, 2015
Authorized capital		
1,80,00,000 equity shares of Rs.10 each *(Previous Year 1,80,00,000 equity shares of Rs. 10 each)*	**180,000,000**	**180,000,000**
Issued, subscribed and paid up capital		
127,81,926 equity shares of Rs. 10 each fully paid-up *(Previous Year 117,06,926 equity shares of Rs. 10 each)*	127,819,260	117,069,260
	127,819,260	**117,069,260**

3.1 Reconciliation of shares outstanding at the beginning and at the end of the reporting period:

Particulars	Financial year 2015-16 (Units in Nos.)	Financial year 2015-16 (Amount in rupees)	Financial year 2014-15 (Units in Nos.)	Financial year 2014-15 (Amount in rupees)
Number of shares outstanding as at the beginning of the financial year (April 01)	11,706,926	117,069,260	9,266,926	92,669,260
Add: Increase in number of shares during the year				
- Fresh issue of shares	1,075,000	10,750,000	2,440,000	24,400,000
	12,781,926	127,819,260	11,706,926	117,069,260
Less: Reduction in number of shares during the year				
- Redemption of shares			-	-
- Forfeiture of shares			-	-
Number of shares outstanding as at the Close of the financial year (March 31)	12,781,926	127,819,260	11,706,926	117,069,260

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Disclosures to made:

3.2 The Company has only one class of equity share having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of Companies, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the share holders.

3.3 Details of Shares held by Holding Company

Particulars	As at 31 March 2016		As at 31 March 2015	
	No. of Shares held	Amount in Rupees	No. of Shares held	Amount in Rupees
Chaitanya Rural Intermediation Development Services Private Limited	12,781,925	127,819,250	11,706,925	117,069,250

3.4 Details of shareholders holding more than 5% shares in the Company

Name of Shareholder	As at 31 March 2016		As at 31 March 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Chaitanya Rural Intermediation Development Services Private Limited	12,781,925	100.00	11,706,925	100.00

3.5 The Company has not issued bonus shares, not issued shares for consideration other than cash and has not bought back shares during the period of five years immediately preceding the reporting date.

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Notes Forming Part Of Balance Sheet

4 RESERVES AND SURPLUS

(Amount in Rupees)

Particulars	As at March 31, 2016	As at March 31, 2015
(a) Securities Premium Account		
Opening Balance	68,543,408	31,943,408
Add : Securities premium credited on Share issue	19,350,000	36,600,000
Less: Premium Utilised for various reasons	-	-
Premium on Redemption of Debentures	-	-
For Issuing Bonus Shares	-	-
Closing Balance	87,893,408	68,543,408
(b) Statutory Reserve		
Opening Balance	5,983,450	4,315,730
Add : Current Year Transfer	2,984,870	1,667,720
Less: Written Back in Current Year	-	-
Closing Balance	8,968,320	5,983,450
(c) Surplus		
Opening balance	22,411,820	15,933,323
Add : Net Profit/(Net Loss) For the current year	14,924,348	8,338,598
Add : Transfer from Reserves	-	-
Less: Proposed Dividends	-	-
Less: Interim Dividends	-	-
Less: Asset Adjustment on Account of Companies Act, 2013	-	192,381
Less: Transfer to Reserves	2,984,870	1,667,720
Closing Balance	34,351,298	22,411,820
Total	131,213,026	96,938,678

5 LONG TERM BORROWINGS

(Amount in Rupees)

Particulars	As at March 31, 2016	As at March 31, 2015
Long Term Borrowings		
Secured		
(a) Term loans		
From Banks *[Refer sub-note A-i]*	353,648,338	355,605,634
From Financial Institutions *[Refer sub-note A-ii]*	324,343,825	75,465,809
	677,992,163	431,071,443
(b) NCDs		
[Refer sub-note C]	12,500,000	29,166,525
	12,500,000	29,166,525
Unsecured		
(a) Sub-Debts		
[Refer sub-note D]	100,000,000	-
	100,000,000	-
(c) Unsecured Loan		
[Refer sub-note E]	79,166,665	-
	79,166,665	-
Total	869,658,828	460,237,968

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6 LONG TERM PROVISIONS

(Amount in Rupees)

Particulars	As at March 31, 2016	As at March 31, 2015
Long Term Provisions		
Provision for receivables under financing activity - Long Term	3,542,032	713,664
Total	3,542,032	713,664

7 SHORT TERM BORROWINGS

(Amount in Rupees)

Particulars	As at March 31, 2016	As at March 31, 2015
Short Term Borrowings		
(a) Term Loan		
Secured		
From Financial Institutions *[Refer sub-note B]*	36,000,000	86,686,005
Total	36,000,000	86,686,005

8 TRADE PAYABLES

(Amount in Rupees)

Particulars	As at March 31, 2016	As at March 31, 2015
Sundry Creditors		
Dues to others	46,200,757	14,529,302
Total	46,200,757	14,529,302

9 OTHER CURRENT LIABILITIES

(Amount in Rupees)

Particulars	As at March 31, 2016	As at March 31, 2015
(a) Current maturities of Secured long-term borrowings *[Refer sub-note A-i & ii]*	760,805,417	513,908,680
(b) Current maturities of NCDs *[Refer sub-note C]*	79,166,525	57,500,100
(c) Current maturities of Unsecured long-term borrowings *[Refer sub-note E]*	16,666,668	4,304,000
(d) Insurance Payable	8,439,055	1,872,996
(e) Other payables	3,831,370	1,742,704
(f) Cash Profit on Loan Transfer Transactions Pending Recognition	6,563,717	-
Total	875,472,753	579,328,480

10 SHORT TERM PROVISIONS

(Amount in Rupees)

Particulars	As at March 31, 2016	As at March 31, 2015
(a) Provision for Employee Benefit	7,449,315	571,818
(b) Provision for Gratuity	3,657,061	1,794,649
(c) Provision for Payment to Auditor	156,750	122,832
(d) Provision for Expenses	2,626,232	872,402
(e) Provision for Income Tax	4,112,090	757,765
(f) Provision for Receivables under Financing Activity - Short Term	15,258,459	8,279,599
(g) Provision for Cash Loss	40,721	-
(h) Provision for Interest Accrued but not due on Loans	7,309,934	-
Total	40,610,561	12,399,065

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13 DEFERRED TAX ASSET

(Amount in Rupees)

Particulars	As at March 31, 2016	As at March 31, 2015
(a) Opening balance as at the beginning of the year (April 01)		
- Depreciation on tangible fixed assets	293,583	(106,116)
- on Preliminary expenses	-	-
- on Asset Provisioning	2,917,864	1,475,804
- on Gratuity Provision	582,274	-
-Un absorbed loss as per Income Tax Act	6,419	6,113
	3,800,140	1,375,801
(b) Adjustments during the financial year		
- Depreciation on tangible fixed assets	140,304	399,699
- on Preliminary expenses	-	-
- on Asset Provisioning	3,298,142	1,442,060
- on Gratuity Provision	626,860	582,274
-Un absorbed loss as per Income Tax Act	(6,419)	306
	4,058,887	2,424,339
(c) Closing balance as at the end of the year (March 31)		
- Depreciation on tangible fixed assets	433,887	293,583
- on Preliminary expenses	-	-
- on Asset Provisioning	6,216,006	2,917,864
- on Gratuity Provision	1,209,134	582,274
-Un absorbed loss as per Income Tax Act	-	6,419
Total	7,859,027	3,800,140

14A LONG TERM LOANS AND ADVANCES

(Amount in Rupees)

Particulars	As at March 31, 2016	As at March 31, 2015
(a) Security deposits - Unsecured, considered good		
Rental deposits	3,521,028	1,984,700
Other deposits	29,960	47,938
	3,550,988	2,032,638
(b) Other Loans and Advances		
Loans to employees - Unsecured, considered good	1,175,244	815,418
Total	4,726,232	2,848,056

14B LOANS AND ADVANCES TOWARDS FINANCING ACTIVITIES - LONG TERM

(Amount in Rupees)

Particulars	As at March 31, 2016	As at March 31, 2015
Receivable under Financing Activities		
(a) Secured and Considered Good - Long term	58,072,804	21,589,028
[Assets Derecognized on account of securitization & Buy-out of receivables is Rs. 3,98,79,425/- (P.Y. Rs. 2,70,63,853/-)]		
(b) Unsecured and Considered Good - Long term	295,836,602	49,571,184
Total	353,909,406	71,160,212

15 OTHER NON-CURRENT ASSETS:

(Amount in Rupees)

Particulars	As at March 31, 2016	As at March 31, 2015
Others bank balances		
Cash Collateral		
Cash Collateral with maturity more than 12 months (TL) - Banks	72,603,954	57,174,261
Cash Collateral with maturity more than 12 months (TL)- FI s	5,405,902	10,023,891
Total	78,009,856	67,198,152

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16 CASH AND CASH EQUIVALENTS

(Amount in Rupees)

Particulars	As at March 31, 2016	As at March 31, 2015
(a) Cash on hand	255,617	239,727
(b) Balances with banks		
In current account	51,446,906	157,207,935
Fixed Deposit Bank		
maturity less than 12 months	133,711	172,739,993
Cash Collateral		
Cash Collateral with maturity less than 12 months (TL) - Banks	30,667,413	33,980,778
Cash Collateral with maturity less than 12 months (TL)- FI s	16,396,720	23,143,986
Cash Collateral with maturity less than 12 months (Securitisation)	10,004,690	8,988,872
	108,649,440	**396,061,564**
Total	**108,905,057**	**396,301,291**

17 LOANS AND ADVANCES TOWARDS FINANCING ACTIVITIES - SHORT TERM

(Amount in Rupees)

Particulars	As at March 31, 2016	As at March 31, 2015
Receivable under Financing Activities		
(c) Secured and Considered Good	65,885,383	42,977,454
(d) Unsecured and Considered Good	1,459,079,072	784,373,136
[Assets Derecognized on account of securitization & Buy-out of receivables is Rs. 24,90,50,750/- (P.Y. Rs. 6,52,18,650/-)]		
Total	**1,524,964,455**	**827,350,590**

18 OTHER SHORT TERM LOANS & ADVANCES

(Amount in Rupees)

Particulars	As at March 31, 2016	As at March 31, 2015
Prepaid expenses	1,087,532	3,057,398
Interest Accrued on Loan Portfolio	14,453,426	8,449,721
Total	**15,540,958**	**11,507,119**

19 OTHER CURRENT ASSETS

(Amount in Rupees)

Particulars	As at March 31, 2016	As at March 31, 2015
Interest accrued on fixed deposits but not Due	42,225	42,225
Advances to Others	3,283,068	729,747
Advance to Staffs	131,954	294,717
CENVAT Credit	873,734	481,058
Insurance Claim Receivable	6,109,746	3,409,227
Deferred Revenue Expenditure	-	2,664,214
Other Receivables	119,985	21,731
Retention Money on Buyout Transaction	10,142,390	236,402
Total	**20,703,102**	**7,879,320**

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Notes Forming Part Of Balance Sheet

FIXED ASSETS

(Amount in Rupees)

TANGIBLE ASSETS

Particulars	Gross Block				Accumulated Depreciation				Net block	
	As at April 1, 2015	Addition during the year	Disposals during the year	Balance as at March 31, 2016	As at April 1, 2015	For the year	Adjustment during the year	Balance as at March 31, 2016	As at March 31, 2016	As at March 31, 2015
Computers & Computer Equipments	5,860,336	4,707,832	-	10,568,168	3,485,147	2,834,272	-	6,319,419	4,248,749	2,375,189
Furniture and fixtures	4,588,587	2,912,151	-	7,500,738	1,345,473	1,103,697	-	2,449,170	5,051,568	3,243,114
Motor Car	4,505,642	1,557,611	-	6,063,253	2,232,667	919,086	-	3,151,753	2,911,500	2,272,975
Motor Bike	132,538	-	-	132,538	78,143	14,176	-	92,319	40,219	54,395
UPS	947,984	886,642	-	1,834,626	306,168	262,421	-	568,589	1,266,037	641,816
Office equipments	452,976	90,584	-	543,560	221,509	129,567	-	351,076	192,484	231,467
Godrej Safe	351,105	103,740	-	454,845	145,249	65,940	-	211,189	243,656	205,856
Electrical Equipments	17,245	-	-	17,245	11,204	2,043	-	13,247	3,998	6,041
Total	16,856,413	10,258,560	-	27,114,973	7,825,560	5,331,202	-	13,156,762	13,958,211	9,030,853
Previous period	10,803,309	6,078,117	25,013	16,856,413	4,001,311	3,749,702	(74,547)	7,825,560	9,030,853	

INTANGIBLE ASSETS

(Amount in Rupees)

Particulars	Gross Block				Accumulated Depreciation				Net block	
	As at April 1, 2015	Addition during the year	Disposals during the year	Balance as at March 31, 2016	As at April 1, 2015	For the year	Adjustment during the year	Balance as at March 31, 2016	As at March 31, 2016	As at March 31, 2015
Computer software	2,365,834	1,518,598	-	3,884,432	1,439,146	504,373	-	1,943,519	1,940,913	926,688
Total	2,365,834	1,518,598	-	3,884,432	1,439,146	504,373	-	1,943,519	1,940,913	926,688
Previous period	1,374,070	991,764	-	2,365,834	1,102,111	190,874	(146,161)	1,439,146	926,688	

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Notes Forming Part Of Statement of Profit & Loss

20 REVENUE FROM OPERATIONS

(Amount in Rupees)

Particulars	As at March 31, 2016	As at March 31, 2015
Interest Received from Customers	315,479,410	170,439,770
Loan Processing Fees	34,913,937	15,984,663
Securitization Income	4,013,543	2,999,737
Total	354,406,890	189,424,170

21 OTHER INCOME

(Amount in Rupees)

Particulars	As at March 31, 2016	As at March 31, 2015
Interest income		
On Bank Deposits	10,159,189	7,940,031
Dividend income		
On Current Investments	-	3,071,266
Short Term Capital gain on Mutual Fund	7,051,101	-
Loan Processing Fees on employee loan	10,342	7,750
Interest on employee loan	310,733	144,419
Other Income	461,607	521,996
Total	17,992,972	11,685,462

22 FINANCE COSTS

(Amount in Rupees)

Particulars	As at March 31, 2016	As at March 31, 2015
Interest expense		
On Term Loans	153,872,936	87,129,442
On NCDs	16,729,863	8,996,689
Bank charges	403,856	356,608
Loan Processing Expenses	16,435,420	6,334,035
Securitisation Expenses	-	-
NCD Expenses	6,454,379	880,131
Total	193,896,454	103,696,905

23 EMPLOYEE BENEFIT EXPENSES

(Amount in Rupees)

Particulars	As at March 31, 2016	As at March 31, 2015
Salary, Wages, Allowances & other Benefits	76,516,672	41,566,061
Contributions to P.F., ESI & Others	6,236,574	2,990,575
Gratuity Expenses	1,862,412	1,794,649
Staff welfare expenses	3,420,019	1,990,253
Total	88,035,677	48,341,538

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24 OTHER EXPENSES

(Amount in Rupees)

Particulars	As at March 31, 2016	As at March 31, 2015
Conveyance Expenses	14,408,978	6,433,277
Rent	5,569,873	3,104,434
Printing, Books & Other Stationary	4,831,007	2,599,786
Vehicle Running & Maintenance	2,652,999	1,664,924
Telephone & Internet Charges	3,830,363	1,849,160
Professional Charges	2,543,907	3,333,576
Professional Fees towards Application for Small Finance Bank	-	992,700
Tour & Travelling Expenses	2,567,511	1,914,340
Meeting & Training Expenses	3,198,921	1,549,443
Rent Paid For Server Hosting	259,882	281,806
Remuneration to Statutory Auditors	164,826	128,652
Remuneration to Internal Auditors	445,721	122,500
Business Promotion Expenses	287,588	213,173
Service Tax Paid	4,520,425	1,934,431
Membership Fee & Subscription	441,889	272,215
Electricity Charges	661,431	399,787
Postage & Courier Charges	351,937	194,419
Director's Sitting Fees	255,000	90,000
Repairs & Maintenance [General]	273,089	281,106
Repairs & Maintenance of Computers	214,983	74,038
Water Charges	460,611	186,005
Insurance Charges	385,206	160,162
Office & General Expenses	1,343,541	652,264
Brokerage for Office	13,700	15,750
Rates & Taxes	1,840,152	1,389,334
Prior Period Expenses	-	42,526
Recruitment Expenses	354,871	113,565
Auction Related Expenses	9,900	-
Cash loss in Transit	40,721	5,000
Assets Written Off	-	804
Depreciation effect on Account of Change in Accounting Policy for Intangible Assets	-	41,903
Loss on sale of Assets	-	4,140
Total	51,929,030	30,045,221

M/S. RAMESH ASHWIN & KARANTH
F.R. No. 010680S
Chartered Accountants

CHAITANYA INDIA FIN CREDIT PVT. LTD.
Bangalore

CHAITANYA INDIA FIN CREDIT PRIVATE LIMITED

NO. 312, 14 - P, SKYLINE SURABHI APARTMENT, VIDYAPEETA MAIN ROAD, BSK 3RD STAGE, BANGALORE - 560085

Subnote Forming Part Of Balance Sheet

A. Long Term Borrowings & Current Maturities Of Long-Term Borrowings

i. From Banks

Sl. No.	Rate of Interest	Original Loan Tenure	No. of Installments O/s as on 31.03.2016	Long Term Borrowings		Current Maturities of Long Term Borrowings		Securities Offered
				31.03.2016	31.03.2015	31.03.2016	31.03.2015	
1	12.55%	36 Months	0		-	-	3,45,00,007	Cash Collateral, Personal Guarantees of Promoter Directors, Book Debts Assigned
2	12.55%	33 Months	9	-	1,50,00,014	1,50,00,012	1,99,99,992	Cash Collateral, Personal Guarantees of Promoter Directors, Book Debts Assigned
3	12.55%	33 Months	21	3,00,00,018	7,00,00,003	4,03,55,734	3,01,37,531	Cash Collateral, Personal Guarantees of Promoter Directors, Book Debts Assigned
4	12.35%	36 Months	2	-	83,30,000	84,13,814	1,27,62,439	Cash Collateral, Personal Guarantees of Promoter Directors, Book Debts Assigned
5	14.00%	23 Months	0	-	-	-	40,00,000	Cash Collateral, Personal Guarantees of Promoter Directors, Book Debts Assigned
6	14.00%	23 Months	0	-	-	-	1,25,00,000	Cash Collateral, Personal Guarantees of Promoter Directors, Book Debts Assigned
7	14.00%	24 Months	8	-	1,14,10,000	1,14,10,000	1,71,60,000	Cash Collateral, Personal Guarantees of Promoter Directors, Book Debts Assigned
8	14.00%	24 Months	11	-	2,84,00,000	2,60,00,000	2,16,00,000	Cash Collateral, Personal Guarantees of Promoter Directors, Book Debts Assigned
9	13.00%	24 Months	20	2,00,00,000	-	3,00,00,000	-	Cash Collateral, Personal Guarantees of Promoter Directors, Book Debts Assigned
10	12.45%	36 Months	36	3,33,37,000	-	1,46,91,625	-	Cash Collateral, Personal Guarantees of Promoter Directors, Book Debts Assigned
11	14.00%	36 Months	9	-	54,32,000	55,03,736	72,84,000	Cash Collateral, Personal Guarantees of Promoter Directors, Book Debts Assigned
12	14.00%	36 Months	18	54,30,000	1,63,50,000	1,11,15,650	1,09,20,000	Cash Collateral, Personal Guarantees of Promoter Directors, Book Debts Assigned
13	14.00%	36 Months	30	1,63,65,000	-	1,12,27,482	-	Cash Collateral, Personal Guarantees of Promoter Directors, Book Debts Assigned
14	12.00%	48 Months	17	61,799	2,11,054	1,49,480	1,35,619	Motor Car Hypothecated to Bank
15	14.75%	24 Months	0		-		1,71,42,858	Cash Collateral, Personal Guarantees of Promoter Directors, Book Debts Assigned
16	14.50%	24 Months	2	-	1,42,85,715	1,42,85,715	2,85,71,428	Cash Collateral, Personal Guarantees of Promoter Directors, Book Debts Assigned
17	12.50%	22 Months	0	-	-	-	36,48,817	Cash Collateral, Personal Guarantees of Promoter Directors, Book Debts Assigned
18	12.50%	24 Months	15	53,12,500	2,42,85,710	2,12,50,000	1,82,43,400	Cash Collateral, Personal Guarantees of Promoter Directors, Book Debts Assigned, Corporate Guarantee of Chaitanya Rural Intermediation Development Services Pvt Ltd
19	14.70%	36 Months	4	-	1,00,00,000	1,00,00,000	1,01,37,397	Cash Collateral, Personal Guarantees of Promoter Directors, Book Debts Assigned
20	12.40%	36 Months	12	3,33,33,332	-	1,66,66,668	-	Cash Collateral, Personal Guarantees of Promoter Directors, Book Debts Assigned
21	14.00%	36 Months	13	6,25,000	81,25,000	87,29,518	87,84,767	Cash Collateral, Personal Guarantees of Promoter Directors, Book Debts Assigned
22	13.65%	36 Months	30	1,90,00,000	-	1,10,11,189	-	Cash Collateral, Personal Guarantees of Promoter Directors, Book Debts Assigned
23	12.75%	36 Months	22	99,01,307	2,10,00,000	1,20,00,000	93,26,167	Cash Collateral, Personal Guarantees of Promoter Directors, Book Debts Assigned
24	13.50%	36 Months	8	1,81,81,815	3,63,63,635	1,81,81,820	1,41,35,680	Cash Collateral, Personal Guarantees of Promoter Directors, Book Debts Assigned, Corporate Guarantee of Chaitanya Rural Intermediation Development Services Pvt Ltd
25	13.75%	36 Months	25	1,96,80,848	1,13,56,000	1,86,34,169	1,36,62,836	Cash Collateral, Personal Guarantees of Promoter Directors, Book Debts Assigned, Corporate Guarantee of Chaitanya Rural Intermediation Development Services Pvt Ltd
26	14.00%	48 Months	20	-	80,00,000	80,00,000	1,01,51,890	Personal Guarantees of Promoter Directors, Book Debts Assigned
27	10.50%	36 Months	4	3,33,33,333	6,66,66,667	3,33,33,334	3,50,01,825	Personal Guarantees of Promoter Directors, Book Debts Assigned
28	10.50%	36 Months	6	4,99,97,332	-	3,33,33,334		Personal Guarantees of Promoter Directors, Book Debts Assigned
29	11.75%	60 Months	18	32,318	94,985	59,819	56,651	Motor Car Hypothecated to Bank
30	11.75%	60 Months	18	32,318	94,985	59,819	56,651	Motor Car Hypothecated to Bank
31	15.75%	60 Months	20	82,342	1,99,867	1,21,928	1,02,705	Motor Car Hypothecated to Bank
32	13.00%	18 Months	12	-	-	3,75,00,000	-	Cash Collateral, Personal Guarantees of Promoter Directors, Book Debts Assigned
33	13.00%	24 Months	23	2,29,16,667	-	2,50,00,000	-	Cash Collateral, Personal Guarantees of Promoter Directors, Book Debts Assigned
34	12.50%	82 Months	26	1,76,92,310	-	23,07,690	-	Cash Collateral, Personal Guarantees of Promoter Directors, Book Debts Assigned
35	13.75%	36 Months	34	1,83,33,100	-	1,03,02,100	-	Cash Collateral, Personal Guarantees of Promoter Directors, Book Debts Assigned
		Total (a)		35,36,48,338	35,56,05,634	45,46,44,636	34,00,22,659	

CHAITANYA INDIA FIN CREDIT PVT. LTD. Bangalore

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ii. From Financial Institutions

Sl. No.	Rate of Interest	Original Loan Tenure	No. of Installments O/s as on 31.03.2016	Long Term Borrowings		Current Maturities of Long Term Borrowings		Securities Offered
				31.03.2016	31.03.2015	31.03.2016	31.03.2015	
1	16.50%	24 Months	0	-	-		75,03,049	Cash Collateral, Personal Guarantees of Promoter Directors, Book Debts Assigned, PDCs for EMI Amount
2	16.50%	24 Months	6	-	75,00,000	75,00,000	1,50,18,309	Cash Collateral, Personal Guarantees of Promoter Directors, Book Debts Assigned, PDCs for EMI Amount
3	16.50%	24 Months	12	-	1,00,00,004	1,00,00,004	1,00,08,133	Cash Collateral, Personal Guarantees of Promoter Directors, Book Debts Assigned, PDCs for EMI Amount
4	15.25%	18 Months	0	-	-		1,89,82,107	Cash Collateral, Personal Guarantees of Promoter Directors, Book Debts Assigned
5	15.25%	18 Months	0	-	-		2,13,46,128	Cash Collateral, Personal Guarantees of Promoter Directors, Book Debts Assigned
6	15.25%	18 Months	0	-	-		1,17,70,835	Cash Collateral, Personal Guarantees of Promoter Directors, Book Debts Assigned
7	15.25%	18 Months	0	-	-		1,17,49,849	Cash Collateral, Personal Guarantees of Promoter Directors, Book Debts Assigned
8	15.25%	18 Months	3	-	54,88,100	54,88,100	1,99,91,626	Cash Collateral, Personal Guarantees of Promoter Directors, Book Debts Assigned
9	15.25%	24 Months	16	37,87,802	-	1,07,16,381	-	Cash Collateral, Personal Guarantees of Promoter Directors, Book Debts Assigned
10	15.25%	24 Months	18	2,23,51,416	-	3,98,53,067	-	Cash Collateral, Personal Guarantees of Promoter Directors, Book Debts Assigned
11	15.25%	36 Months	32	3,05,55,982	-	1,49,33,612	-	Personal Guarantees of Promoter Directors, Book Debts Assigned
12	15.25%	36 Months	32	3,05,55,982	-	1,49,33,612	-	Personal Guarantees of Promoter Directors, Book Debts Assigned
13	15.50%	24 Months	21	-	1,87,55,000	1,87,55,000	2,54,80,917	Personal Guarantees of Promoter Directors, Book Debts Assigned
14	15.00%	36 Months	35	9,58,29,000	-	5,00,04,000	-	Personal Guarantees of Promoter Directors, Book Debts Assigned
15	15.50%	36 Months	22	48,82,922.00	99,72,710	50,89,786.00	44,61,831	Cash Collateral, Personal Guarantees of Promoter Directors, Book Debts Assigned
16	15.00%	36 Months	32	91,51,291.00	-	44,93,645.00	-	Cash Collateral, Personal Guarantees of Promoter Directors, Book Debts Assigned
17	16.50%	24 Months	12	-	1,50,00,000	2,64,28,571	1,50,73,233	Personal Guarantees of Promoter Directors, Book Debts Assigned
18	16.00%	24 Months	8	-	50,00,000	50,00,000	75,00,000	Cash Collateral, Personal Guarantees of Promoter Directors, Book Debts Assigned
19	16.00%	24 Months	9	-	37,49,995	37,49,995	50,00,004	Cash Collateral, Personal Guarantees of Promoter Directors, Book Debts Assigned
20	16.00%	24 Months	10	-	-	41,66,664	-	Cash Collateral, Personal Guarantees of Promoter Directors, Book Debts Assigned
21	16.00%	24 Months	12	-		49,99,998	-	Cash Collateral, Personal Guarantees of Promoter Directors, Book Debts Assigned
22	16.00%	24 Months	14	11,11,104		66,66,672		Cash Collateral, Personal Guarantees of Promoter Directors, Book Debts Assigned
23	14.00%	36 Months	12	3,33,33,332	-	1,66,66,668	-	Personal Guarantees of Promoter Directors, Book Debts Assigned
24	14.75%	27 Months	24	5,77,84,997	-	4,22,15,003	-	Cash Collateral, Personal Guarantees of Promoter Directors, Book Debts Assigned
25	14.50%	36 Months	30	3,49,99,997		1,50,00,003		Personal Guarantees of Promoter Directors, Book Debts Assigned
		Total (b)		32,43,43,825	7,54,65,809	30,61,60,781	17,38,86,021	
		Total (a) + (b)		67,79,92,163	43,10,71,443	76,08,05,417	51,39,08,680	

B. Short Term Borrowings

From Financial Institutions

Sl. No.	Rate of Interest	Loan Tenure	No. of Installments O/s as on 31.03.2016	31.03.2016	31.03.2015	Short Term Borrowings 31.03.2016	Short Term Borrowings 31.03.2015	Securities Offered
1	15.50%	12 Months	8				3,45,78,597	Cash Collateral, Personal Guarantees of Promoter Directors, Book Debts Assigned, PDCs for EMI Amount
2	16.25%	12 Months	10			1,60,00,000	4,00,00,000	Cash Collateral, Personal Guarantees of Promoter Directors, Book Debts Assigned, PDCs for EMI Amount
3	16.50%	12 Months	4				1,21,07,408	Cash Collateral, Personal Guarantees of Promoter Directors, Book Debts Assigned, PDCs for EMI Amount
4	16.00%	12 Months	2			2,00,00,000	-	Personal Guarantees of Promoter Directors, Book Debts Assigned, PDCs for EMI Amount
		Total		-	-	3,60,00,000	8,66,86,005	

Note: (a) The Company has not defaulted in the repayment of dues to Banks and Financial Institutions
(b) The Interest Rate disclosed above represents the rate interest as on 31.03.2016

CHAITANYA INDIA FIN CREDIT PVT. LTD. Bangalore

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C. Details of Non Convertible Debentures

Sl. No.	Coupon Rate	Maturity Date	Debenture Details		As at 31.03.2016	As at 31.03.2015	Options Available	Date of Redemption if Option is exercised
			Nos.	Face Value	Rs.	Rs.		
1	12.95%	28-Jul-16	75	10,00,000	1,25,00,025	5,00,00,025	No	NA
2	11.88%	28-Jan-17	50	10,00,000	1,66,66,500	3,66,66,600	No	NA
3	13.50%	28-Jun-17	100	10,00,000	6,25,00,000	-	No	NA
Total					9,16,66,525	8,66,66,625		
		Less: Current Maturities of NCDs			7,91,66,525	5,75,00,100		
		Long Term Portion of NCDs			1,25,00,000	2,91,66,525		

Note: (a) The Secured, Non Convertible Debentures are secured by hypothecation of specified Receivables under Financing Activities

(b) The above Non Convertible Debentures are listed on BSE Limited (Bombay Stock Exchange). Further, the Company has entered into an agreement with GDA Trusteeship Services Limited to act as Debentures Trustees fo

(c) The Company has not defaulted in the repayment of dues to the Debenture Holders.

D. Sub Debt

Sl. No.	Rate of Interest	Original Loan Tenure	No. of Installments O/s as on 31.03.2016	Long Term Borrowings		Current Maturities of Long Term		Securities Offered
				31.03.2016	31.03.2015	31.03.2016	31.03.2015	
1	16.50%	78 Months	1	5,00,00,000	-	-	-	NA
2	17.00%	74 Months	1	5,00,00,000	-	-	-	NA
Total				10,00,00,000	-	-	-	

E. Unsecured Loan

Sl. No.	Rate of Interest	Original Loan Tenure	No. of Installments O/s as on 31.03.2016	Long Term Borrowings		Current Maturities of Long Term Borrowings		Securities Offered
				31.03.2016	31.03.2015	31.03.2016	31.03.2015	
1	14.00%	13 Months	1	-	-	-	10,00,000	NA
2	17.00%	13 Months	1	-	-	-	33,04,000	NA
3	17.45%	36 Months	11	2,91,66,665	-	1,66,66,668	-	NA
4	14.50%	74 Months	1	5,00,00,000	-	-	-	NA
Total				7,91,66,665	-	1,66,66,668	43,04,000	
Grand Total				86,96,58,828	46,02,37,968	89,26,38,610	66,23,98,785	

CHAITANYA INDIA FIN CREDIT PVT. LTD. Bangalore