

Directors' Report

Dear Members,

Your Board of Directors (the "Board") takes pleasure in presenting the Annual Report of S V Creditline Private Limited (the "Company") together with the audited financial statements for the year ended March 31, 2016.

FINANCIAL HIGHLIGHTS

The financial performance of the Company for the year ended March 31, 2016 is summarized below:

<u>Particulars</u>	<u>31st March, 2016</u> (Rs. in Crore)	<u>31st March, 2015</u> (Rs. in Crore)	<u>Change (%)</u>
Total revenue	123.20	71.46	72.40%
Less: Total expenditure	106.71	59.38	79.70%
Profit (Loss) Before Tax	16.48	12.07	36.70%
Profit (Loss) After Tax	11.21	8.20	36.70%
Earnings Per Share (EPS)	2.52	2.14	17.76%
Diluted EPS	2.52	2.14	17.76%

- The Company has posted a profit after tax (PAT) of Rs. 11.21 Crore for FY 2015-16 as compared to a PAT of Rs. 8.20 Crore for FY 2014-15.
A sum of Rs. 2.24 Crore is proposed to be transferred to statutory reserve as against Rs. 1.64 Crore for FY 2014-15.
- ROA (including managed loans and securitized loans) and ROE for FY16 were 1.97% and 19.43%, respectively.

OPERATIONAL HIGHLIGHTS

<u>Particulars</u>	<u>31st March, 2016</u>	<u>31st March, 2015</u>	<u>Change (%)</u>
Number of branches	202	120	68%
Number of borrowers (in lakhs)	637,731	333,750	91%
Number of employees	1978	856	131%
Amount disbursed (Rs. in lakhs)	131,780.36	63,151.36	109%
Gross loan portfolio (Rs. in lakhs)	101,647.57	42,115.15	141%

RESOURCE MOBILIZATION

During the year under review, the Company has diversified its sources of funds and raised a sum of Rs. 493.60 Crore by way of short-term, long-term loans, and also from non-convertible debentures ("NCDs"), which was 28.65% higher as compared to Rs. 383.69 Crore raised during FY 2015-16. In addition, the NCDs issued by the Company are listed on the BSE Limited.

The net worth of the Company as on March 31, 2016 was Rs. 67.21 Crore and capital adequacy as on March 31, 2016 was 17.17%, well in excess of the mandated 15%. This has enhanced the credit quality of the Company's debt instruments and helped it in obtaining competitive pricing. In addition, the Company also issued 40,00,000 (Forty Lacs) equity shares under right issue by way of Right issue.

The Company's effective cost of borrowings reduced to 15.50% in FY 2015-16 as compared to 16.05% for FY-2015. This reduction was mainly driven by a sustained turnaround, capital raise, rating upgrade and diversification of sources of funding. Therefore, in line with the Company's policy of passing on the cost advantages accruing from economies of scale, operational efficiency and reduction in the cost of borrowing to its Borrowers, the Company reduced the rate of interest from 26% to 24.7% with effect from August 1st, 2015.

BUSINESS OVERVIEW

During FY 2016, the Company's total revenue and PAT were Rs. 123.20 Crore and Rs. 11.21 Crore respectively. As on March 31, 2016, the Company had 6377.31 Crore Borrower spread across 202 branches across 8 states and 118 Districts in India, with a gross loan portfolio of Rs. 1016.48 Crores.

Please refer Management Discussion and Analysis Report for more information on the Company's Business Overview.

INDUSTRY TRENDS

The overall outlook for the Microfinance Industry has improved during the financial year 2015-16. The industry has matured with stronger institutions, the credit bureaus are functional, the investors and lenders are back in business, there is greater focus of the government on financial inclusion with launch of Micro Units Developments Agency and Refinance Agency (Mudra), greater regulatory clarity, Reserve Bank of India considering giving new licence for Small and Payment banks etc. During the F.Y 2015-16 the following developments had taken place in the Industry:-

- Total loan amount disbursed during the F.Y 15-16 reached at Rs. 61,860 Cr. in comparison to 31,599 Cr. for the F.Y 14-15 representing an increase of 65% as compared to previous F.Y.
- The Total number of Loan disbursed by MFI grew to 3.47 Cr. in comparison to 2.55 Cr. for the F.Y 14-15 representing an increase of 36% as compared to previous F.Y.
- The Total number of branches of MFI reaches to 9,669 in the F.Y 2015-16 as compared to 7,934 in F.Y with an overall increase of 22% as compared to previous F.Y.
- The number of employee's base stood at 85,888 in comparison to 62,407 for the previous year with an increase of 38%.
- Portfolio at Risk (PAR) figures remained under 1% for fy 15-16.

- Average loan amount disbursed per account for the FY 2015-16 was Rs 17,805. The figure for FY 14-15 was Rs 14,731.
- Insurance (credit life) to over 3.7 Cr clients with sum insured of Rs 59,834 Cr was extended through MFI network.
- Top 10 MFIs (in terms of loan amount disbursed) account for 71% of the aggregated industry disbursements during the year.
- Over half (59%) of the total disbursement during First quarter, came from 5 states, viz. Tamil Nadu, Karnataka, Maharashtra, Odisha and Madhya Pradesh.
- During the F.Y 15-16 MFI received a total debt funding of Rs 33,706 Cr debt funding (from Banks and other Financial Institutions). This represents an increase of 55% compared to FY 14-15. Group of large MFIs account of 89% of total debt funding received in FY 15-16.
- Share of non-bank funding has been increasing and accounts for 40% of the total debt funding this fiscal.
- Securitization of MFIs' portfolio increased by 91% compared with last fiscal.
- At an industry level average cost of funds, as of 31st March 2016 is 14.8%.

DIVIDEND

Dividend on Equity Share Capital:

In order to conserve resources and according to the provisions of the Companies Act, 2013, the Directors have not recommended any Equity dividend for the year under review.

Dividend on Preference Share Capital:

Company had paid Dividend of Rs.2,793,629 (Twenty Seven Lacs Ninety Three Thousand Six Hundred Twenty Nine) at the rate of 12 (Twelve Percent) % percent on 20,00,000 (Twenty Lacs)Cumulative Non-convertible redeemable Preference Shares which was redeemed on March 29, 2016.

Further, the Company has made provision for Dividend Payment amounting to Rs. 6,944,901 (Sixty Nine lacs Forty Four Thousand Nine hundred and One only) on remaining 2,20,00,000 (Two Crore Twenty Lacs) Cumulative Non-Convertible Redeemable Preference shares), which are due for redemption during the F.Y 2016-17.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Changes in the composition of the Board of Directors

During the Year under review Mr. Manoj Mittal was appointed as the Nominee Director of the Company in the Board Meeting held on December 11, 2015 in pursuance of the Nomination received from SIDBI and was replaced by Mr. Ramesh Dharmaji in the Board Meeting held on March 05, 2016.

Further Mr. Sundeep Kalsi, Independent Director had resigned from the Board of Directors with effect from March 05, 2016. In addition Mr. Rakesh Arora and Mrs. Anita Roy were re-appointed as an Independent Directors for another term of Five Years in the Extra Ordinary General Meeting of the Company held on March 05, 2016.

Declaration of Independence

The Company has received declarations from all Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under Section 149(6) of the CA 2013.

Key Managerial Personnel

Mr. Rakesh Dubey, Chief Executive Officer; Mr. Durgeshwar Mishra, Chief Financial officer, Mr. Sunil Malik, Company Secretary of the Company are the Key Managerial Personnel ("KMP") of the Company.

During the year, Mr. Subash Mittal resigned from the Company with effect from June 30, 2015 and Mr. Sunil Malik appointed as Company Secretary with effect from October 12, 2015.

CHANGE IN CAPITAL STRUCTURE OF THE COMPANY

During the year under review, your Company has increased the authorized Share Capital in the Extraordinary General meeting held on September 24, 2015 from INR 60,00,00,000 (Sixty Crores) to INR 75,00,00,000 (Seventy Five Crores) and on March 05, 2016 from 75,00,00,000 (Seventy Five Crores) to 85,00,00,000 (Eighty Five Crores.)

The Authorized Share capital of the Company as on March 31, 2016 stands increased to INR 85,00,00,000 (Eighty Five Crores) divided into 50,000,000 (Five Crores) Equity Shares of INR 10 each/- and 35,000,000 (Three Crore Fifty lakh) Redeemable Preference Shares of INR10/- each. During the year under review, your company had allotted 4,000,000 (Forty Lacs) Equity Shares on Right basis in two tranches details as mentioned below:

S.No	Date of allotment	Price per share	No. of Shares
1	May 29, 2015	Rs 10/- per share at a premium of Rs 10/-	2,000,000
2	March 23, 2016	Rs. 10/- per share at a premium of Rs 15/-	2,000,000
Total			4,000,000

Accordingly, the issued, subscribed and paid-up-equity share capital stands increased to INR 428,460,640 (Rupees Forty Two Crores Eighty Four lacs Sixty thousand Six hundred Forty only) as compared to INR 388,460,640 (Rupees Thirty Eight Crores Eighty Four Lacs Sixty thousand Six hundred forty only) in the previous year.

Further, your company had Redeemed 2,000,000 Compulsorily Non-Convertible Redeemable preference shares of INR 10/- each aggregating to INR 20,000,000 on March 28, 2016 and allotted 22,000,000 Non-convertible redeemable Preference shares to the following allottees in respective meeting as mentioned below:

S.No	Date of allotment	Name of Allottees	No of Shares	Price per share
1	03.09.2015	Unifi AIF	7,000,000	10/-
2	11.12.2015	Mr. Sunil Sachdeva	10,000,000	10/-
3	28.03.2016	M/s Maanaveeya Development & Finance Private Limited	5,000,000	10/-
Total			22,000,000	

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134(3)(c) of the CA 2013 with respect to the Directors' Responsibility Statement, it is hereby confirmed that:

1. in the preparation of the accounts for the year ended March 31, 2016, the applicable accounting standards have been followed and there are no material departures from the same;
2. the Directors had selected such accounting policies and applied them consistently, and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016 and of the profit of the Company for the year under review;
3. the Directors took proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the CA 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. the Directors prepared annual accounts of the Company on a 'going concern' basis;
5. the Directors laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and are operating effectively; and
6. the Directors devised proper systems to ensure compliance with the provision of all applicable laws, and that such systems are adequate and operating effectively.

POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND REMUNERATION POLICY

In compliance with the provisions of the CA 2013, the Board has on the recommendation of the Nomination and Remuneration Committee, approved the Nomination and Remuneration Policy. The aforesaid Policy provides a framework to ensure that

- a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- c) remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

AUDITORS

Statutory Auditors

The Statutory Auditors of the Company, M/s. B S R & Associates LLP, Chartered Accounts, Hyderabad (vide Registration No.: 116231W), were appointed in the Annual General Meeting of the Company held on July 17, 2014 as Statutory Auditors of the Company to hold office for a term of five years until the conclusion of the Annual General Meeting to be held in 2019, subject to the ratification of such appointment by the shareholders of the Company at every consecutive Annual General Meeting. The Auditors have confirmed their eligibility for appointment in the financial year 2016-17, if their appointment ratified in the ensuing Annual General Meeting.

Your Directors recommend ratification of the appointment of M/s B S R & Associates LLP, Chartered Accountants as the Statutory Auditors of the Company for the financial year 2016-17.

Response of the Board to the Auditors Comment

The report of the auditors contains no qualification/reservations in the said report, on the annual financial statements for the financial year 2015-16.

Secretarial Auditors and Secretarial Audit Report

Pursuant to section 204 of the Companies Act, 2013, the Company had appointed M/s Goyal Divesh & Associates, Company Secretaries to conduct secretarial Audit of the Company for the FY 2015-16. The Report of Secretarial Auditors annexed herewith as **Annexure I to the Directors' Report**. There are no qualifications, reservations or adverse remark made by the secretarial auditors in their report.

PARTICULARS OF LOANS OR GUARANTEES OR INVESTMENTS

Provisions of Sections 186(11) and 134(3)(g) of the CA 2013 requiring disclosure of particulars of the loans given, investments made or guarantees given or securities provided is not applicable to the Company.

Moreover, Company has not given any loans/guarantees and has not made any investment in securities as covered under Section 186 of the Companies Act, 2013.

RELATED PARTY TRANSACTIONS

All transactions entered into with Related Parties as defined under the CA 2013 during the year under review were in the ordinary course of business and at an arm's length pricing basis and do not attract the provisions of Section 188 of the CA 2013.

Details of the related party transactions, which are exempted according to a proviso to Section 188 of the CA 2013, during FY16 are disclosed in Note 2.31 of the financial statements.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There are no material changes and commitments affecting the financial position of the Company, which occurred between the end of the financial year of the Company i.e. March 31, 2016 and the date of the Directors' Report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The provisions of Section 134(3) (m) of the CA 2013 relating to conservation of energy and technology absorption do not apply to the Company. The Company has, however, used information technology extensively in its operations.

The Company neither had any foreign exchange earnings nor any such outgo during the year under review.

RISK MANAGEMENT POLICY

The Board has adopted the Risk Management Policy in order to assess, monitor and manage risk throughout the Company.

Risk is an integral part of the Company's business, and sound risk management is critical to the success of the organization.

Risk Management Policy in line with Companies Act, 2013 has been annexed as **Annexure II to the Directors' Report.**

CORPORATE SOCIAL RESPONSIBILITY ("CSR")

As per requirement of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules 2014, the Company has established the Corporate Social Responsibility Committee ("CSR Committee").

The Board adopted the CSR Policy, formulated and recommended by the CSR Committee and the same is also available on the Company Website.

In light of the CSR Policy, the Company has contributed Rs. 20.50 lacs towards CSR expenditure both for FY 2014-15 and FY 2015-16, Rs. 17,00,000 (Seventeen Lacs) has been contributed towards Prime Minister National Relief Fund as per Schedule VII of the Companies Act, 2013 and Rs. 3,50,000 (Three Lacs Fifty Thousand) has been contributed towards Promoting Education for providing Scholarship to Girl Child from Economically Weaker Section to enable them to continue their school education as per Schedule VII of the Companies Act, 2013 towards a society named Khushii (Kinship for Humanitarian Social and Holistic Intervention in India)

The disclosure pursuant to section 134(3)(o) of Companies Act, 2013 and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014 with respect to CSR spending is **annexed herewith as Annexure- III to the Directors' Report.**

DEPOSITS

During the year under review, the Company has not accepted any deposit from the public.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS, COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY OPERATIONS IN FUTURE

There are no orders passed by the Regulators, Courts or Tribunals which would impact the going concern status of the Company and its future operations.

INFORMATION REQUIRED UNDER SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

The Company has in place a Policy in line with the requirements of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013.

Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees are covered under the Policy. During the Financial year 2015-16, the Company has not received any complaint regarding sexual harassment.

INTERNAL FINANCIAL CONTROLS

The Company has adequate internal controls and processes in place with respect to its operations, which provide reasonable assurance regarding the reliability of the preparation of financial statements and financial reporting as also functioning of other operations. These controls and processes are driven through various policies and procedures.

VIGIL MECHANISM POLICY

The Company has adopted the Whistle-blower/Vigil Mechanism Policy and details of the same are explained in the Corporate Governance Report. The Policy is also available on the Company's website.

PARTICULARS OF EMPLOYEES

The ratio of the remuneration of each Director to the median employee's remuneration and other details in terms of Section 197(12) of the CA, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 have been annexed herewith as **Annexure IV to the Directors' Report**.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report for the year under review has been annexed as **Annexure- V of the Directors' Report**.

CORPORATE GOVERNANCE

The Company has adopted best corporate practices, and is committed to conducting its business in accordance with the applicable laws, rules and regulations. The Company follows the highest standards of business ethics. A report on corporate governance has been annexed as **Annexure- VI of the Directors' Report**.

EXTRACT OF ANNUAL RETURN

Pursuant to Section 134(3) (a) and Section 92(3) of the CA, 2013, read with Rule 12 of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return as at March 31, 2016 in form MGT 9 has been annexed as **Annexure - VII to the Directors' Report**.

ACKNOWLEDGEMENTS

Your Director wish to place on record their appreciation and acknowledge with gratitude the continued support and co-operation extended by the Shareholders, Bankers, Financial Institutions and Business Associates at all levels and look forward to their continued support. The directors also place on record their appreciation for the services rendered by the employees at all levels.

**For and on behalf of Board
For S V Creditline Private Limited**

**Date: August 02, 2016
Place: Gurgaon**

**Sd/-
Surinder Singh Kohli
Chairman
(DIN NO.: 00169907)**



Goyal Divesh & Associates
COMPANY SECRETARY

265, H-17, Sector- 7
Rohini, Delhi-110085
Tele: 46241168/78, 8130757966, 8130657778
Email: cs@csindia.co.in, divesh@csindia.co.in

Ref. No.: GD&A/2016/06/D008

June 10th, 2016

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL PERIOD 1ST APRIL, 2015 TO 31ST MARCH, 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,
S V Creditline Private Limited
CIN: U71290DL1996PTC081376
Add: 815, 8th Floor, Hemkunt Chamber, 89,
Nehru Place, New Delhi-110019

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by S V Creditline Private Limited (hereinafter called 'the Company') for the audit period covering from 1st April, 2015 to 31st March, 2016. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers and authorized representatives during the conduct of secretarial audit; We hereby report that in our opinion, the Company has, during the audit period covering from 1st April, 2015 to 31st March, 2016 generally 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.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the audit period covering from 1st April, 2015



to 31st March, 2016 according to the provisions of the following acts, to the extent applicable to the Company during the relevant Audit period;

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'-);
 - (a) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
 - (b) The Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 w.e.f 1st December, 2015.
- (vi) Other laws applicable specifically to the Company namely:
 - a. The RBI Act, 1934, to the extent applicable to Non-Banking Financial Company.
 - b. The Non-Banking Financial Company-Micro Finance Institutions (Reserve Bank) Directions 2011.

We have also examined compliance with the applicable clauses of the Listing Agreement entered into by the Company with the Stock Exchanges in India.

We further report that, there were no actions/ events in pursuance of:

- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 -**Not Applicable to the Company as the equity shares of the Company are not listed.**
- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 -**Not Applicable to the Company as the equity shares of the Company are not listed.**



- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 -**Not Applicable to the Company as the equity shares of the Company are not listed.**
- d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999/Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014 (effective from 28th October, 2014) -**Not Applicable to the Company as the equity shares of the Company are not listed.**
- e. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - **Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review.**
- f. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 -**Not Applicable to the Company as the equity shares of the Company are not listed.**
- g. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 -**Not Applicable to the Company as the equity shares of the Company are not listed.**

During the period under review and as per the explanations and clarifications given to us and the representations made by the Management, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. and no specific non compliances / audit qualification, reservation or adverse remarks were observed. There was few observations which was conveyed to management for future reference.

We further report that, based on the information provided by the Company and its officers during the conduct of audit and based on review of compliance mechanism established by the Company, in our opinion there are adequate systems and processes and control mechanism exist in the Company to monitor and ensure compliance with applicable general laws.

We further report that, the compliance by the applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same have been subject to review by statutory financial audit and auditor report of the statutory Auditor.

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes



in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda 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 the dissenting members' views, if any, are captured and recorded as part of the minutes.

We further report that based on the information received and records maintained 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 and no specific non compliances / observations / audit qualification, reservation or adverse remarks were observed.

We further report that during the audit period:

- a) The Company has allotted 100 un-Secured (Non-Convertible) Debentures of Rs. 10,00,000/- each amounting to Rs. 10 crores during the period to IFMR Fimpect Investment Fund.
- b) The Company has allotted 30 Secured redeemable (Non Convertible) Debentures of Rs. 1,000,000/- each amounting to Rs. 3 crores during the period to IFMR Fimpect Investment Fund.
- c) The Company has allotted 200 Secured redeemable (Non Convertible) Debentures of Rs. 1,000,000/- each amounting to Rs. 20 crores during the period to Mahindra & Mahindra Financial Services Limited which has been listed on Bombay Stock Exchange Limited.
- d) The Company has allotted 260 listed secured redeemable (Non Convertible) Debentures of Rs. 1,000,000/- each amounting to Rs. 26 crores during the period to Microfinance Initiative for Asia (MIFA) which has been listed on Bombay Stock Exchange Limited.
- e) The Company has allotted 260 listed secured redeemable (Non Convertible) Debentures of Rs. 1,000,000/- each amounting to Rs. 26 crores during the period to Microfinance Enhancement Facility (MEF), SA which has been listed on Bombay Stock Exchange Limited.
- f) The Company has allotted 100,00,000 (one Crore) Non-convertible Compulsory Redeemable Preference Shares of Rs. 10 each aggregating Rs. 10,00,00,000




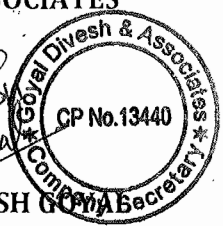
(Rupees Ten crores only) to Mr. Sunil Sachdeva on Private Placement basis.

- g) The Company has allotted 70,00,000 (Seventy Lakhs) Non-convertible Compulsory Redeemable Preference Shares of Rs. 10 each aggregating 70,00,000 (Rupees Seven crores only) to UNIFI AIF – Trust on Private Placement basis.
- h) The Company has made Right issue allotment of 20,00,000 (Twenty Lakh) equity shares on right issue basis on May 29,2015, at Rs. 20/- each (including premium of Rs. 10/-) of aggregate evaluate of Rs. 40,00,000/- to M/s S V Corporation Private Limited and M/s Vans Pte Limited.
- i) The Company has made Right issue allotment of 20,00,000 (Twenty Lakh) equity shares on right issue basis on March 23,2016, at Rs. 25/- each (including premium of Rs. 15/-) of aggregate evaluate of Rs. 5,00,00,000/- to M/s S V Corporation Private Limited and M/s Vans Pte Limited.
- j) The Company has made allotment of 50,00,000 (Fifty lakh) Cumulative Non-convertible Redeemable Preference shares on private placement basis to M/s Maanaveeya Development and Finance Private Limited at par aggregating Rs. 5,00,00,000.

Place: New Delhi

Date: 10th June, 2016

For GOYAL DIVESH & ASSOCIATES



DIVESH GOYAL

(Company Secretaries)

Proprietor

ACS- 35817

COP No.: 13440

CORPORATE RISK MANAGEMENT POLICY

This policy describes SVCL's risk management principles and expectations applicable to all types of risk in all activities undertaken by or on behalf of SVCL. It also outlines roles and responsibilities for the Board of Directors, the Chief Executive Officer, the Chief Risk Officer and Executive Vice-Presidents of Corporate Groups, and all staff.

Definitions of significant terms in this Policy are outlined in the SVCL Risk Glossary.

Risk is often defined as the chance of something happening, measured in terms of probability and impact. At SVCL, a principal risk is defined as the chance of something happening, measured in terms of probability and impact, that may adversely affect the achievement of SVCL's strategic or major business objectives.

Risk management is a structured and disciplined approach to assessing and managing the uncertainties that SVCL faces as it creates value and preserves value.

SVCL believes risk taking is a necessary and accepted part of our business. Effectively managing risk is a competitive necessity and an integral part of creating shareholder value through good business practices designed to ensure that SVCL achieves its strategic, business and governance objectives, and protects its corporate reputation, values and integrity. In the context of realizing strategic objectives, some amount of failure is an accepted outcome of risk taking as long as risks have been properly assessed and managed.

SVCL acknowledges that all activity has an element of risk and that not all risks can or should be transferred. SVCL is committed to managing risks including strategic risks, at all levels in the organization and summarizes these risks into three broad categories: operational risk; financial risk; and safety, environmental and regulatory risk. Since many risks can impact our reputation, all risks must be evaluated in terms of the potential impact on our reputation.

SVCL does not engage in speculative activity which is defined as a profit-seeking activity unrelated to SVCL's primary business.

Risk management applies to and will be practiced in accordance with Article II, SVCL's Risk Management Principles as a part of all of SVCL's activities including developing strategic plans, preparing operational plans and capital budgets, completing detailed project approval requests, designing and managing product plans, operating SVCL's facilities and plants, as a part of other management systems and generally, in all decision making processes.

SVCL's overall risk appetite and risk tolerance will be determined by the Chief Executive Officer/Chief Financial Officer in conjunction with the Senior Management and reported to the Board of Directors.

Risk will be evaluated, managed and documented consistent with guidelines, tools and framework advocated by this Corporate Risk Management Policy and other SVCL risk management policies, guidelines or practices such as the Market Risk Mitigation Policy.

In all cases, risk will be evaluated in terms of the impact on the following areas: people, environment, assets, financial/business objectives, and reputation. The risk will be assigned a probability of occurrence, with a resulting risk level ranging from low to extreme.

Risks identified as extreme, high, or medium will require implementation of a risk transfer, reduction, elimination, or exploitation strategy to reduce the residual risk level to as low as reasonably practicable. Risks identified as extreme or high with an impact above a specified threshold will be reported to the Chief Executive Officer/Chief Financial Officer.

The risk management involves framing of policies as well as percolation and implementation of the same. The Board of Directors has constituted the Risk Management Committee (RMC). The Committee oversees the Risk Management functions of the Bank with focus on the three risks identified by Basel II, i.e. Market Risk, Credit Risk and Operational Risk. RMC meets once in a quarter.

For management of Market Risk, the Board has constituted the Asset Liability Management Committee (ALCO). It functions on the basis of a policy detailing the objectives & scope of Asset Liability Management in the Bank, duly approved by the Board. The role of ALCO is to:

- a) review at periodic intervals the Liquidity Risk through Structural Liquidity and Dynamic Liquidity, Interest Rate Risk sensitivity.
- b) review the pricing of various products.
- c) evaluate new business products, any variants of the existing products or any cost cutting measure, with particular focus on the pricing aspects, and make suitable recommendations to the Risk Management Advisory Committee / Board.

Credit Risk Management

For extending financial assistance, SVCL has a brief Operational Manual and policies such as Product Policy, Group/Center Formation, Training & Recognition Policy, Disbursement and Loan Utilization Check Policy, Repayment, Prepayment and Foreclosure Policy, Field Monitoring, supervision and Branch visit Policy, Location Identification Policy and Customer Selection Policy.

Operational Risk

Operational Risk Operational Risk is the chances of loss associated with Bank's operations. Examples of such loss events are (i) external fraud, (ii) internal fraud, (iii) damage to physical assets, (iv) loss on account of faulty business practices and procedures, (v) business disruption and system failures (vi) Employment practices and workplace safety (vii) Execution Delivery and Process Management etc.

The Board of Directors is responsible for:

- Approving and authorizing the Policy.
- Ensuring that a system is in place to identify the principal risks to the Corporation and that the best practical procedures are in place to monitor and mitigate the risks.
- Reviewing the Chief Risk Officer's consolidated quarterly and annual risk reports that identify the principal risks to the Corporation and the mitigation strategies in place.

Annual Report on Corporate Social Responsibility (CSR) activities in FY 2016**CORPORATE SOCIAL REPONISIBILITY**

In Compliance with Section 135 of the CA 2013 read with the Companies (Corporate Social Responsibility policy) Rules 2014, the Company has established the Corporate Social Responsibility Committee ("CSR Committee")

The Board adopted the CSR Policy, formulated and recommended by the CSR Committee, and the same is available on the Company's website.

In light of the CSR Policy, the Company has spent in the following areas for FY 2014-15 & FY 2015-16:

The disclosure of the contents of the CSR Policy pursuant to section 134(3)(o) of the Companies Act, 2013 and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014, as follows:

S.No.	Particulars	Remarks
1.	A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	<p>Education: Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.</p> <p>Health: Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water.</p> <p>Environment: Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water.</p> <p>Contribution in any other fund set up by the central government for socio-economic Development. Web link- http://www.svcl.in/Images/CSR%20Policy.pdf</p>
2	The Composition of the CSR Committee is	1) Mr. Sunil Sachdeva- Chairman 2) Mr. Vijay Parekh - Director 3) Mr. Rakesh Arora- Independent Director
3	Average net profit of the company for last three financial years-	69,916,250
4	Prescribed CSR Expenditure for FY 2015-16	1,398,325

5	<p>Details of CSR Expenditure during the Financial year</p> <p>a) Total amount to spend in the financial year For F.Y. 2014-15 For F.Y 2015-16</p> <p>b) Amount unspent, if any;</p> <p>c) Manner in which the amount was spent during the Financial year</p>	<p>Rs 6.19 lacs Rs13.98 lacs Nil (Company has spent excess Rs. 0.33 lacs)</p> <p>As per table A</p>
6	In case the Company has failed to spent the 2% of average net profit of the last 3 FY or any part thereof the Company shall provide the reason for not spending the amount in its Board Report	Not Applicable

Table A

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local Area or other (2)Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub Heads: (1) Direct Expenditure on projects or programs (2) Overhaeds:	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
1	To promote Girls Education	Education	Khushi- Registered Society to promote Education	-	350,000	NA	Direct
2	Prime Minister Relief Fund	Fund established by Central Govt.	The fund is established to render immediate relief to families of those killed in natural calamities like floods, cyclones and earthquakes, etc. and to the victims of the major accidents and riots.	-	1,700,000	NA	Direct
	Total			-	2,050,000		

Responsibility Statement

The Responsibility Statement of the CSR Committee of the Board of Directors of the Company has been reproduced below:

The implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and policy of the Company.

Place: Gurgaon
Date: 02.08.2016

Sd/-
Sunil Sachdeva
(Chairman - CSR committee)
DIN- 00012115

Sd/-
Rakesh Dubey
(Chief Executive Officer)
PAN- AHPPD1370E

ANNEXURE –IV

Statement of Particulars of Employees Pursuant to provisions of section 197(12) of the Companies Act, 2013 and Read with Companies(Appointment and Remuneration of Managerial Personnel) Rules, 2014

(i) the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;	N.A.
(ii) the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	Increase in Remuneration: Chief Executive Officer : 12% Chief Financial Officer : 12% Company Secretary : -
(iii) the percentage increase in the median remuneration of employees in the financial year;	24.28%
(iv) the number of permanent employees on the rolls of company as on March 2015;	1978
(v) the explanation on the relationship between average increase in remuneration and company performance;	<ul style="list-style-type: none"> • Performance of the Company • Variable compensation is an integral part of the total pay package and is based on an individual's performance rating and business unit performance.
(vi) comparison of the remuneration of the Key Managerial Personnel against the performance of the company;	For FY 2016, the Key Managerial personnel were paid around 7.31 of PAT.
(vii) variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year;	Net Worth of the FY 2014-15- Rs. 47.97 Cr. Net Worth of the FY 2015-16- Rs. 67.21 Cr. Variation- Rs. 19.24 Crore Percentile Variation- (40.12%)
(viii) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	The average increase in salaries of employees other than the managerial personnel in the last financial year was 26.53% while the increase in managerial remuneration was 12% (approx.).
(ix) comparison of the each remuneration of the Key Managerial Personnel against the performance of the company	The ratio of the remuneration of each KMP to the PAT of the Company is: 1. Mr. Rakesh Dubey, CEO- 4.72% 2. Mr. Durgeshwar Mishra- 1.99% 3. Mr. Subash Mittal- (former CS)- 0.17% 4. Mr. Sunil Malik- CS- 0.43%

(x) the key parameters for any variable component of remuneration availed by the directors;	NA
(xi) 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;	NA
(xii) Affirmation that the remuneration is as per the remuneration policy of the company.	Yes.

**For and on behalf of Board
For S V Creditline Private Limited**

Date: August 02, 2016

Place: Gurgaon

**sd/-
Surinder Singh Kohli
Chairman
(DIN NO.: 00169907)**

Management Discussion and Analysis

Annexure- V

Company's Prospects, Future Plans and Business Overview:

The Business of your company has scaled up rapidly through increase in the number of branches and employees of the Company. The Company is expanding its business to new geographical territories. The Company is hopeful in achieving more better performance during the current year. It remains to be seen whether the slew of the initiatives announced by the Central Government like "Make in India" programme, increase FDI Limits in certain sector, a financial inclusion effort through Pradhan Mantri Jan DhanYojana and India's improved rating outlook gives a fillip to the performance of the financial year. Acknowledging that Non Banking Financial Companies (NBFCs) are engaged in financial lending to different sectors, the Finance Bill-2016 proposes to extend the benefit to NBFCs. This is a welcome move as NBFC's account for a big chunk of lending in the country. From a period of low growth, high inflation and shrinking production, the Central Government has not only strengthened macro-economic fundamentals, but has also propelled the economy to a higher growth trajectory. Various rating agencies and think tanks have predicted that India's growth would accelerate sharply in the next few years. There are some initial indications of Interest rate cut by few bankers, which may help the company to reduce its cost of borrowings.

Resources and Liquidity

Over the years of operation, SVCL has developed partnerships with 30 banks and Financials Institutions. During the year, the Company has been availing various credit facilities from Banks, domestic and international lenders and from institutions for its microfinance operation which is the main activity of the Company. The Company has raised debt funds through Term Loan, listed & unlisted Non- Convertible Debenture, Working Capital facilities and also raised funds through securitization, assignment transactions and Business Correspondence. Total Borrowings of the Company as at March 31, 2016 was Rs. 545.82 Crore including subordinate debt of Rs20 Crore.

The Board of Directors of the Company during the F.Y 2015-16 allotted 4,000,000 (Forty Lacs) Equity shares fully paid up for cash by way of Right issue basis.

SVCL bank loan rating has been conducted by Credit Analysis and Research Limited (CARE). CARE has awarded SVCL a rating of "CARE BBB-(Triple B minus)" for long term bank facility. SVCL was also awarded BBB rating from Fitch India Ratings. The rating has been upgraded from a previous rating of BBB-(Triple B minus).

"High Level of Adherence" of Code of Conduct Compliance Assessment (COCA) conducted by M2i consulting commissioned by SIDBI.

The Company generally maintain enough liquidity in the system so as to meet requirement of funds for scheduled disbursements and repayments to lenders for about 30-35days. The Company has strong Asset Liability Maturity profile where in the Company has positive gap in all time buckets.

In View of the overall positive environment in the Microfinance industry in India and better regulatory clarity, the overall liquidity and funding to NBFC-MFI has further improved. The Company has been regular in repayment to all its lenders and has excellent relationship with all the financial institutions and banks.

Industry Scenario/Opportunities

The industry has matured with stronger institutions, the credit bureaus are functional, the investors and lenders are back in business, there is greater focus of the government on financial inclusion with launch of Micro Units Developments and Refinance Agency (Mudra), greater regulatory clarity, Reserve Bank of India considering giving new licence for Small and Payment banks etc. In view of the above, there are better days ahead for Indian Micro finance industry. Microfinance department, association with a large number of lenders and clean repayment track record, good credit rating in the sector which helped the company to achieve the performance better than its peers.

Outlook

The overall outlook for the Microfinance Industry has improved during the financial year 2015-16. The Reserve Bank of India has issued a number of circulars and provided the required regulatory clarity. A major outcome of the guidelines was the involvement of the credit bureaus to record and monitor the creditworthiness of borrowers. More and more use of Aadhaar as KYC by the Industry. There is a greater emphasis today on the credit scores prior to disbursement of loans, and subsequent data sharing with credit bureaus. The credit bureau checks enable MFI to assess the extent of leverage of prospective customers, and their repayment track record. Additionally, the Microfinance Institutions Network (MFIN) has prescribed a code of conduct that provides guidelines for MFI operations, and greater uniformity in their functioning.

With various schemes launched by Government for financial inclusion there is a greater opportunities in microfinance sectors in the years to come.

Risk/Treats & Concerns

The Company is exposed to financial, operational and political risks. Because the MFI's loan portfolio is its most valuable asset, the financial risk i.e credit, market and liquidity are of greatest concerns. To prepare for the Risk, company usually holds in reserve certain percentage of asset in cash and in short term assets. The Company maintains reserves and provisions in its financials for meeting expected or unexpected future contingencies. The Company follows a conservative Financial Approach by following prudential business and risk management practices.

Adequacy of Internal Controls

The Company has proper adequate internal control systems to ensure that all activities are monitored and controlled against any unauthorized use or disposition of assets. The Company has adequate working infrastructure having computerization in all its operations including accounts and Management Information System.

The Internal Auditors of the Company conduct audits at various periodicity covering key areas of operations and reviews and evaluate the adequacy and effectiveness of Internal Controls, ensuring adherence to operating guidelines and systems recommending improvements for strengthening them.

Human Resource Development

The Company has young capable, experienced and dedicated manpower and various professionals support from in house and external sources with expertise in different areas leading the growth of company towards better operational and financial position. The number of employees as at March 31, 2016 stood at 1978 (Previous Year 856).

Deposits

The Reserve Bank of India in exercise of its power under The Reserve Bank of India Act, 1934, has granted NBFC-MFI (Serial No. B.14.01603) status to the company and the company has no public deposit. The Board of Directors of the company has passed a resolution that the company will not accept public deposit during 2016-17.

Reserve Bank of India-Registrations and Directions

Your company has been following all relevant guidelines issued by the Reserve Bank of India from time to time. Further your company has capital Adequacy of 17.17% as on March 31, 2016. The Non Banking Financial Company- Micro Finance Institutions (Reserve Bank) – Directions, 2011 (“NBFC-MFI Directions”) were issued in December 2011 by the Reserve Bank of India Act, 1934 (“RBI Act”). The Company satisfies these conditions and was reclassified as a Non Banking Financial Company- Micro Finance Institutions (“NBFCMFI”) on November 22, 2013. As a result the company is required to comply with the NBFC-MFI Directions. These directions include guidelines on qualifying assets criteria, assets classifications, provisioning, pricing of credit, capital adequacy, multiple lending, over-borrowing, compliances and fair practices.

Listing with Stock Exchange

The Non Convertible Debentures of the company is listed on the Bombay Stock Exchange.

Report on Corporate Governance

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

S V Creditline Private Limited ("the Company") follows the highest standards of governance principles, given the profile of customers that the Company works with. This approach has helped the Company weathering the turbulent times that the MFI sector has faced over the last five years. This approach has also demonstrated that the vulnerability to a financial crisis is reduced through acceptance of the Company's approach by other stakeholders in the ecosystem in which the Company operates. It has also ensured sustained access to capital and debt markets on a continuing basis. The Company is committed to strengthen this approach through adoption of 'best in class' philosophy, systems and processes in the realm of governance.

In India, corporate governance standards for companies are also mandated under the Companies Act, 2013 ("the Act"). In addition to the above, corporate governance standards for Non-Banking Finance Companies ("NBFCs") are also prescribed by Reserve Bank of India ("RBI").

The Company has always believed in implementing corporate governance guidelines and practices that go beyond meeting the letter of the law and has comprehensively adopted practices mandated the Companies Act to fulfil its responsibility towards the stakeholders. These guidelines ensure that the Board of Directors ("the Board") will have the necessary authority to review and evaluate the operations when required. Further, these guidelines allow the Board to make decisions that are independent of the Management.

BOARD OF DIRECTORS

Composition and category of the Board

As on March 31, 2016, the Company's Board comprised of Six (6) Directors, including three (3) Independent Directors, One Nominee Director nominated by SIDBI. During the Year Mr. Sundeep Kalsi, Independent Director in the Board, resigned with effect from March 05, 2016. The Chairman of the Board is a Non-Executive and Independent Director. The composition of the Board is in conformity with Companies Act, 2013.

During the year under review, the Board met nine (9) times on April 25, 2015, May 12, 2015, May 29, 2015, August 25, 2015, August 28, 2015, September 23, 2015, November 10, 2015, December 11, 2015 and March 05, 2016. The time gap between any two meetings was less than four months.

The names of the members of the Board, their status, their attendance at the Board Meetings and the last AGM, number of other Directorships and Committee membership(s)/ chairmanship(s) of each Director are as under:

Name of Director	Category of Director	No. of Meetings held in FY 2016	No. of meeting attended in FY 2016	Whether attended last AGM	No of Directorships held in other public companies
Mr. Surinder Singh Kohli	Non-Executive Director, Chairman and Independent Director	9	9	Yes	10
M. Vijay Parekh	Director	9	4	Yes	4
Mr. Sunil Sachdeva	Director	9	9	Yes	3
Mr. Rakesh Arora	Independent Director	9	9	Yes	3
*Mr. Sundeep Kalsi	Independent Director	9	8	Yes	1
Mrs Anita Roy	Independent Director	9	8	No	2
*Mr. Manoj Mittal	Nominee Director	1	-	-	1
Mr. Ramesh Dharmaji	Nominee Director	1	-	-	-

Notes:

1. None of the Directors held directorships in more than ten (10) public limited companies;
2. None of the Directors is related to any Director or is a member of an extended family;
3. None of the employees of the Company is related to any of the Directors;
4. None of the Directors has any business relationship with the Company;
5. None of the Directors has received any loans or advances from the Company during the year.

*Note: Mr. Sundeep Kalsi resigned from the Board with effect from March 05, 2016.

Note: Mr. Manoj Mittal resigned from the Board with effect from February 17, 2016

Information Supplied to the Board

The Board has complete access to all information with the Company; *inter alia*, the following information is regularly provided to the Board as part of the agenda papers well in advance of the Board meetings or is tabled in the course of the Board meeting:

- Annual operating plans, budgets and any update thereof;
- Capital budgets and any updates thereof;
- Quarterly results of the Company, operating divisions and business segments;
- Minutes of the meetings of the Audit Committee and other Committees of the Board;
- Information on recruitment and remuneration of KMP.
- Show cause/ demand/ prosecution/ penalty notices which are materially important;
- Fatal or serious accidents, dangerous occurrences, etc;

- Any material default in financial obligations to and by the Company;
- Non-compliance of any regulatory, statutory nature or listing requirements and shareholders service such as non-payment of dividend, etc.

The Board works closely with the Executive Management Team to constantly review the evolving operating environment and strategies best suited to enhance the Company's performance and periodically reviews compliance reports of all laws applicable to the Company as well as steps taken by the Company to rectify instances of non-compliance, if any.

Code of Conduct

Our Company has adopted the Code of conduct as prescribed by the MFIN and Sadhan.

Committees of the Board

The Board has constituted committees to delegate particular matters that require greater and more focussed attention in the affairs of the Company. These committees prepare the groundwork for decision-making and report to the Board.

All decisions pertaining to the constitution of committees, appointment of members and fixing of terms of reference for committee members is taken by the Board. Details on the role and composition of these committees, including the number of meetings held during the financial year and the related attendance, are provided below:

a) Audit Committee

The Audit Committee (the "Committee") is comprised of three (3) members including two (2) Independent Directors:

1. Mr. Rakesh Arora (Chairman);
2. Mr. Sunil Sachdeva
3. Mr. Sundeep Kalsi (resigned w.e.f March 05, 2016) and
4. Mrs. Anita Roy (Inducted in Committee w.e.f. March 05, 2016).

The Committee oversees the financial reporting process and reviews, with the Management, the financial statements to ensure that the same are correct and credible. The Committee has the ultimate authority and responsibility to select and evaluate the Independent Auditors in accordance with the law. The Committee also reviews performance of the Statutory Auditors, the Internal Auditors, adequacy of the internal control system and Whistle-blower mechanism.

During the year under review, the Committee met five (5) times. These meetings were held on May 12, 2015, September 19 2015, November 05, 2015, December 07, 2015 and February 26, 2016.

The details of the attendance of the Directors at the Committee meetings are given below:

Attendance record of the Audit Committee

Name of the Member	Position	Status	No. of Meetings Held	No. of Meetings attended
Mr. Rakesh Arora	Independent Director	Chairman	5	5
Mr. Sunil Sachdeva	Director	Member	5	5
Mr. Sundeep Kalsi	Independent Director	Member	5	5
Mrs. Anita Roy	Independent Director	Member	-	-

The Chief Financial Officer, who are responsible for the finance function, the Head of Internal Audit are regularly invited to attend meetings of the Committee. Mr. Sunil Malik, Company Secretary & Compliance Officer, is the secretary to the Committee.

b) Asset Liability Management Committee

The Asset Liability Management Committee (the “Committee”) is comprised of Four (4) members:

1. Mr. Rakesh Arora (Chairman);
2. Mr. Rakesh Dubey;
3. Mr. Durgeshwar Mishra;
4. Mr. Honey Ahuja(till November 07, 2015)
5. Mr. Sanjeewan Kumar (from January 11, 2016 till March 05,2016)
6. Mr. Saumya Harsh Pandey (w.e.f March 05,2016)

The functions of the ALM Committee include addressing concerns regarding asset liability mismatches, interest rate risk exposure and achieving optimal return on capital employed while maintaining acceptable levels of risk including and relating to liquidity, market and operational aspects and adhering to the relevant policies and regulations.

During the year under review, the Committee met four (4) times. These meetings were held on May 12, 2015, July 10, 2015, October 13, 2015 and January 11, 2016. The time gap between any two meetings werenot less than four months.

The details of the attendance of the Directors at the Committee meetings are given below:

Attendance record of the ALCO Committee

Name of the Member	Position	Status	No. of Meetings	No. of Meetings
Mr. Rakesh Arora	Independent Director	Chairman	4	4
Mr. Rakesh Dubey	CEO	Member	4	4
Mr. Durgeshwar Mishra	CFO	Member	4	4
Mr. Honey Ahuja	VP- Finance & Legal	Member	3`	3
Mr. Sanjeewan Kumar	Head-FIG	Member	1	1
Mr. Saumya Harsh Pandey	Head- Risk Department	Member	-	-

c) Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee (the “Committee”) is comprised of Three (3) members including one (1) Independent director:

1. Mr. Sunil Sachdeva (Chairman)
2. Vijay Parekh (inducted w.e.f. March 05,2016 in place of Mr. Sundeep Kalsi)
3. Mr. Rakesh Arora
4. Mr. Sundeep Kalsi (resigned w.e.f March 05, 2016)

The functions of the CSR Committee include formulation and monitoring of CSR Policy, recommending CSR budgets thereof, review of CSR initiatives undertaken/ to be undertaken by the Company and to do such other things as directed by the Board and in compliance with the applicable laws.

The CSR policy of the Company are available on the website of the Company www.svcl.in.

During the year under review, the CSR Committee met three (3) times. These meetings were held on May 12, 2015, September 19, 2015 and March 21, 2016. The details of the attendance of the members at the Committee meetings are given below:

Attendance record of the CSR Committee

Name of the Member	Position	Status	No. of Meetings Held	No. of Meetings Attended
Mr. Sunil Sachdeva	Director	Chairman	3	3
Mr. Vijay Parekh	Director	Member	-	-
Mr. Rakesh Arora	Independent Director	Member	3	3
Mr. Sundeep Kalsi	Independent Director	Member	2	2

d) Nomination and Remuneration Committee

The Nomination and Remuneration Committee (the “Committee”) is comprised of Three (3) members including one (1) Independent director:

Mr. Sundeepkalsi (Chairman) (resigned w.e.f March 05, 2016)

Mr. Rakesh Arora (Chairman& Independent Director);

Mr. Sunil Sachdeva

Mrs. Anita Roy; (inducted w.e.f March 05, 2016)

During the year under review, the NRC Committee met Four (4) times. These meetings were held on May 12, 2015, September 19, 2015, December 11, 2015 and March 05, 2016. The details of the attendance of the members at the Committee meetings are given below:

Attendance record of the NRC Committee

Name of the Member	Position	Status	No. of Meetings Held	No. of Meetings Attended
Mr. Sundeep Kalsi	Independent Director	Chairman	4	4
Mr. Rakesh Arora	Independent Director	Member	4	4
Mr. Sunil Sachdeva	Director	Member	4	4
Mrs. Anita Roy	Director	Member	-	-

e) Risk Management Committee

The Company follows well-established and detailed risk assessment and minimization procedures. The Company especially focuses on improving its sensitivity to the assessment of risks and improving methods of computation of risk weights. The risk assessment and mitigation procedures are reviewed by the Board periodically.

The Risk Management Committee (the “Committee”) is comprised of Four (4) members under the Chairmanship Independent director Mr. Rakesh Arora:

1. Mr. Rakesh Arora (Chairman & Independent Director);
2. Mr. Rakesh Dubey; and
3. Mr. Durgeshwar Mishra
4. Mr. Saumya Harsh Pandey(Head Risk Department)

During the year under review, the RMC Committee met three (3) times. These meetings were held on May 12, 2015, July 10, 2015, and March 21, 2016. The details of the attendance of the Members at the Committee meetings are given below:

Attendance record of the RMC Committee

Name of the Member	Position	Status	No. of Meetings Held	No. of Meetings Attended
Mr. Rakesh Arora	Chairman	Chairman	3	3
Mr. Rakesh Dubey	CEO	Member	3	3
Mr. Durgeshwar Mishra	CFO	Member	3	3

The functions of the RM Committee include monitoring and reviewing risk management plan, operational risk, information technology risk, integrity risk, etc. and taking strategic actions in mitigating risk associated with the business.

f) Borrowing Committee

The Company Constituted Borrowing Committee to borrow fund for day to day business operations of the Company. The Board pursuant to their meeting held on May 12, 2015 authorised the Borrowing Committee to borrow fund upto the limit of Rs. 1000 Cr. as approved by the shareholders in their meeting held on September 13, 2013.

The Borrowing Committee (the “Committee”) is comprised of Five (5) members under the Chairmanship of Independent director Mr. Rakesh Arora:

1. Mr. Rakesh Arora (Chairman & Independent Director);
2. Mr. Sunil Sachdeva
3. Mr. Sundeep Kalsi (resigned w.e.f March 05,2016)
4. Mr. Rakesh Dubey; and
5. Mr. Durgeshwar Mishra

During the year under review, the Borrowing Committee met Eighteen (18) times. These meetings were held on April 16, 2015, April 29, 2015, May 29, 2015, June 25, 2015, June 26, 2015, July 1, 2015, August 18, 2015, September 28, 2015, October 20, 2015, October 30, 2015, December 11, 2015, December 30, 2015, January 28, 2016, February 09, 2016, February 24, 2016, February 29, 2016, March 21, 2016 and March 29, 2016. The details of the attendance of the Members at the Committee meetings are given below:

Attendance record of the Borrowing Committee

Name of Member	Position	Status	No. of Meeting held	No. of Meetings Attended
Mr. Rakesh Arora	Chairman & Independent Director	Chairman	18	18
Mr. Sunil Sachdeva	Director	Member	18	18
Mr. Sundeepkalsi	Independent Director	Member	16	16
Mr. Rakesh Dubey	CEO	Member	18	18
Mr. Durgeshwar Mishra	CFO	Member	18	17

The functions of the Borrowing Committee to raise funds on regular basis as required by the Company to perform day to day operations.

Performance evaluation of Board Members

The Act stipulates the performance evaluation of the Directors including Chairperson, Board and its Committees. Considering the said provisions, the Company adopted Nomination and Remuneration Policy as recommended by the NRC Committee and approved by the Board.

Sitting fees

In line with Companies Act, 2013 Company only pays sitting fees to the Independent directors as approved by the Board in their meeting held on May 12, 2015. The detail with respect to payment of sitting fees mentioned below:

Name of Directors	Sitting fees(in INR.)	Salary /or any kind of perquisites
Mr. S S. Kohli	80,000	-
Mr. Sundeep Kalsi	70,000	-
Mr. Rakesh Arora	80,000	-
Mrs. Anita Roy	80,000	-

Familiarization programme

The Board has been apprised/ familiarized about the business performance, product and processes, business model, nature of the industry in which the Company operates, roles and responsibilities of the Board Members under the applicable laws, etc., on a periodic basis.

MANAGEMENT

Management Discussion and Analysis

The Annual Report has a detailed chapter on Management Discussion and Analysis.

GENERAL BODY MEETINGS

Details of the last three Annual General Meetings.

Financial Year	Category	Location of the meeting	Date	Time
2014-15	AGM	Delhi	September 24,2015	10:00 a.m.
2013-14	AGM	Delhi	July 17,2014	12:00 p.m.
2012-13	AGM	Delhi	July 17,2013	5:00 p.m.

DISCLOSURES

Materially significant related party transactions

No materially significant related party transactions that may have potential conflict with the interests of the Company at large were reported during FY 2016.

Details of non-compliance by the Company

The Company has complied with all the requirements of regulatory authorities. No penalties/ strictures were imposed on the Company by the stock exchanges or the SEBI or any statutory authority on any matter relating to the capital market during the last three years.

Whistle-blower mechanism

The Company has adopted the Whistle-blower Policy pursuant to which employees of the Company can raise their concerns relating to malpractices, inappropriate use of funds or any other activity or event which is against the interest of the Company. Further, the mechanism adopted by the Company encourages the employees to report genuine concerns or grievances and provides for adequate safeguards against victimization of employees.

Disclosure of accounting treatment in preparation of financial statements

The Company has followed the guidelines of accounting standards laid down by the Institute of Chartered Accountants of India (ICAI) in preparation of its financial statements.

General Shareholders Information

1. Annual General Meeting

Date: August 03, 2016

Time: 10:00 a.m

Venue: Sukoon Farms, Mandi Road, Chhatarpur-110074

2. Financial Calendar

Financial year: April 1, 2015 to March 31, 2016, half yearly results were announced on:

- November 10, 2015: First Half yearly results for the period ended September 30,2015
- May 30, 2016: Annual results dated March 31, 2016

For the year ending March 31, 2017 results were announced on/will announced (Tentative dates):

- Within 45 days from the end of Quarter i.e. September 30,2016
- Within 60 days from the end of Financial year

3. Listing on Stock Exchange & Stock Codes:

At present, the Non-convertible debentures are listed on BSE Limited (BSE). The annual listing fees for FY 2016 has been paid:

Registrar & Share Transfer Agents

The Company has appointed M/s Linkin Time Private Limited
C-13 Pannalal Silk Mills Compound
LBS Marg, Bhandup West
Mumbai 400 078
Tel: 022-2594 6970
Toll Free Number: 1800 2208 78
Email Id: rnt.helpdesk@linkintime.co.in

Equity shares

As at March 31 2016, all Equity shares of the Company are in the physical form.

Branch Offices

The Company has 202 branches as on March 31, 2016 across India.

Address for correspondence

Shareholders/ Investors may write to the Company Secretary at the following address:

The Company Secretary

S V Creditline Private Limited

Registered Office Address:

815, 8th Floor, Hemkunt Chamber, 89, Nehru Place,
New Delhi, India - 110019

Email Address: info@svcl.in

In addition to the aforesaid, Debenture holders may write to the Debenture Trustee at the following address:

GDA Trusteeship Limited

Office No. 1, 2 & 3,

4th Floor, Rahimtoola House,

7 Homji StreetFort,

Mumbai - 400001

Phone Office:-022 - 4922 0555

Fax:-022 - 4922 0505

Email:-gdamumbai@gdatrustee.com

dt.mumbai@gdatrustee.com

Axis Trustee Services Limited

2 nd Floor 'E', Axis House

Bombay Dyeing Mills Compound,

PandurangBudhkar Marg,

Worli, Mumbai - 400 025

Phone: +91 22 2425 5215/5216

Fax: +91 22 2425 4200

Email: debenturetrustee@axistrustee.com

Annexure
Committees of the Board and Composition

Committee	Revised Constitution As on March 31, 2016 approved by the Board at its Meeting
Asset Liability Management Committee	Mr. Rakesh Arora (Chairman); Mr. Rakesh Dubey; Mr. Durgeshwar Mishra; and Mr. Soumya Harsh Pandey(Head- Risk Department)
Corporate Social Responsibility Committee	Mr. Sunil Sachdeva(Chairman); Mr. Vijay Parekh and Mr. Rakesh Arora;
Nomination and Remuneration Committee	Mr. Rakesh Arora (Chairman); Mr. Sunil Sachdeva and Mrs. Anita Roy;
Risk Management Committee	Mr. Rakesh Arora (Chairman); Mr. Rakesh Dubey; Mr. Durgeshwar Mishra and Mr. Soumya harsh Pandey.
Borrowing Committee	Mr. Rakesh Arora (Chairman) Mr. Sunil Sachdeva Mr. Rakesh Dubey Mr. Durgeshwar Mishra

Form No. MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the
Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i.	CIN	U71290DL1996PTC081376
ii.	Registration Date	22-08-1996
iii.	Name of the Company	S V Creditline Private Limited
iv.	Category/Sub-Category of the Company	Non-Banking Financial Company- Microfinance Institution(NBFC- MFI)
v.	Address of the Registered office and contact details	815, 8 th Floor, Hemkunt Chambers 89, Nehru Place, New Delhi- 110019
vi.	Whether listed company	Yes/ No Only NCDs are listed
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Pvt Ltd C-13 Pannalal Silk Mills Compound LBS Marg, Bhandup West Mumbai 400 078 Tel : 022 - 2594 6970 Toll free : 1800 2208 78 number Email Id: rnt.helpdesk@linkintime.co.in

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:-

Sr.No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Providing Small value (microfinance) loans	64990 (other financial service activities)	99.99%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

N.A

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. *Category-wise Share Holding*

Category of Shareholders	No. of Shares held at the beginning of the year				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. Promoter									
1) Indian									
a) Individual/ HUF									
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp	Nil	19,423,032	19,423,032	50%	-	21,423,032	21,423,032	50%	10.29%
e) Banks / FI									
f) Any Other									
Sub-total(A)(1):-	Nil	19,423,032	19,423,032	50%	-	21,423,032	21,423,032	50%	10.29%
2) Foreign									
g) NRIs-Individuals									
h) Other-Individuals									
i) Bodies Corp.	Nil	19,423,032	19,423,032	50%	-	21,423,032	21,423,032	50%	10.29%
j) Banks / FI									
k) Any Other....									
Sub-total(A)(2):-	Nil	19,423,032	19,423,032	50%	-	21,423,032	21,423,032	50%	10.29%

B. Public Shareholding									
1. Institutions									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total(B)(1)		Nil	Nil	Nil	-	Nil	Nil	Nil	Nil
2. Non Institutions									
a) Bodies Corp. (i) Indian (ii) Overseas									
b) Individuals (i) Individual shareholders holding nominal share capital uptoRs. 1 lakh (ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh									
c) Others(Specify)									
Sub-total(B)(2)	Nil	Nil	Nil	Nil	-	Nil	Nil	Nil	Nil
Total Public Shareholding (B)=(B)(1)+ (B)(2)	Nil	Nil	Nil	Nil	-	Nil	Nil	Nil	Nil
C. Shares held by Custodian for GDRs &ADRs	Nil	Nil	Nil	Nil	-	Nil	Nil	Nil	Nil
Grand Total (A+B+C)		38,846,064	38,846,064	100 %	-	42,846,064	42,846,064	100%	10.29%

ii. Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of 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.	S V Corporation Pvt. Ltd.	19,423,032	50%	Nil	21,423,032	50%	Nil	10.29%
2.	Vans Pte Ltd., Singapore	19,423,032	50%	Nil	21,423,032	50%	Nil	10.29%
	Total	38,846,064	100%	Nil	42,846,064	100%	Nil	10.29%

iii. Change in Promoters' Shareholding (please specify, if there is no change

Sr. no		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	38,846,064	100%	38,846,064	100%
2	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):	2,000,000 Date: (May-29-15) Reason: Allotment	100%	40,846,064	100%
3	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):	2,000,000 Date: (March-23-16) Reason: Allotment	100%	42,846,064	100%
3	At the End of the year			42,846,064	100%

V. Shareholding Pattern of top ten Shareholders:
(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. no	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	38,846,064	100%	38,846,064	100%
2	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):	2,000,000 Date: (May-29-15) Reason: Allotment	100%	40,846,064	100%
3	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):	2,000,000 Date: (March-23-16) Reason: Allotment	100%	42,846,064	100%
3	At the End of the year			42,846,064	100%

Shareholding of Directors and Key Managerial Personnel: - Not applicable

	Shareholding of each Directors and each Key Managerial Personnel	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year				
2	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):				
3	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):				
3	At the End of the year				

VI. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (in lacs.)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount				
ii) Interest due but not paid	37,483.07	1,000.00	Nil	38,483.07
iii) Interest accrued but not	Nil	Nil		Nil
	94.69	8.92		103.61
Total(i+ii+iii)	37,577.76	1008.92	Nil	38,586.68
Change in Indebtedness during the financial year				
- Addition	15,326.68	1,000.49	Nil	16,363.17
- Reduction				
	15,326.68	1,000.49	Nil	16,363.17
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount	52,582.29	2,000.00	Nil	54,582.29
ii) Interest due but not paid	Nil	Nil		Nil
iii) Interest accrued but not due	358.15	9.41		367.56
Total (i+ii+iii)	52,940.44	2,009.41	Nil	54,949.85

VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

i. *Remuneration to Managing Director, Whole-time Directors and/or Manager- Not applicable*

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

3.	Sweat Equity	-	-	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-	-	-
5.	Others, please specify	-	-	-	-	-
6.	Total(A)	-	-	-	-	-
	Ceiling as per the Act	-	-	-	-	-

ii. Remuneration to other directors: - Not applicable

Sl. No.	Particulars of Remuneration	Name of MD/WTG/ Manager				Total Amount
	<u>Independent Directors</u> ·Fee for attending board committee meetings ·Commission ·Others, please specify	-	-	-	-	-
	Total(1)	-	-	-	-	-
	<u>Other Non- Executive Directors</u> ·Fee for attending board committee meetings ·Commission ·Others, please specify	-	-	-	-	-
	Total(2)	-	-	-	-	-
	Total(B)=(1+2)	-	-	-	-	-
	Total Managerial Remuneration	-	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-	-

iii. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTG

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary*	CFO	Total
1.	Gross salary (a)Salary as per provisions contained in section17(1)of the Income-tax Act,1961 (b)Value of perquisites u/s 17(2)Income-tax Act,1961 (c)Profits in lieu of salary under section 17(3)Income-tax Act,1961	5,295,776	477,076	2,236,033	8,008,885

2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit -others ,specify...	-	-	-	-
5.	Others, please specify	-	-	-	-
6.	Total	5,295,776	477,076	2,236,033	8,008,885

VIII. PENALTIES/PUNISHMENT/COMPOUNDING OFFENCES: - Nil

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					

For and on behalf of Board
For S V Creditline Private Limited

Date: August 02, 2016

Place: Gurgaon

sd/-
Surinder Singh Kohli
Chairman
(DIN NO.: 00169907)

B S R & Associates LLP

Chartered Accountants

8-2-618/2, Reliance Humsafar,
4th Floor, Road, No. 11,
Banjara Hills
Hyderabad - 500 034, India.

Telephone +91 40 3046 5000
Fax +91 40 3046 5299

Independent Auditor's Report To the Members of S V Creditline Private Limited

Report on the Financial Statements

We have audited the accompanying financial statements of S V Creditline 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 (collectively referred to as 'financial statements').

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by ICAI. 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



B S R & Associates (a partnership firm with
Registration No. BA69226) converted into
B S R & Associates LLP (a Limited Liability
Partnership with LLP Registration No. AAB-8182)
with effect from October 14, 2013

Registered Office:
1st Floor, Lodha Excelus
Apollo Mills Compound
N.M. Joshi Marg, Mahalakshmi
Mumbai - 400 011.

policies used and the reasonableness of the accounting estimates made by the Company's directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ('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 paragraphs 3 and 4 of the said Order.

As required by Section 143 (3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the Company, so far as it appears from our examination of those books;
- c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) On the basis of the written representations received from the directors as on 31 March 2016, and 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 has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 2.41 to the financial statements.
 - (ii) The Company did not have any material foreseeable losses on long-term contracts and had no derivative contracts outstanding as at 31 March 2016 – refer to note 2.60 of the financial statements; and
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

for B S R & Associates LLP

Chartered Accountants

Firm Registration No.: 116231W/W-100024



Sriram Mahalingam

Partner

Membership No.: 049642

Place: Hyderabad

Date: 30 May 2016

Annexure B to the Independent Auditor's Report of even date on the financial statements of S V Creditline Private Limited

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

We have audited the internal financial controls over financial reporting of S V Creditline Private Limited ("the Company") as of 31 March 2016 in conjunction with our audit of the 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 Act.

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

62

generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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


Opinion

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

for B S R & Associates LLP

Chartered Accountants

Firm Registration No.: 116231W/W-100024



Sriram Mahalingam

Partner

Membership No: 049642

Place: Hyderabad

Date: 30 May 2016

Annexure A to the Independent Auditor's Report of even date on the financial statements of S V Creditline Private Limited

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

(b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified every year. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its fixed assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanation given to us and from our examination of books of accounts, no immovable properties are owned by the Company during the year.
2. The Company is a Non-Banking Finance Company- Micro Finance Institution ('NBFC- MFI'), engaged in the business of providing micro credit. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable.
3. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships and other parties, if any, covered in the register maintained under Section 189 of the Act.
4. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not undertaken any transaction in respect of loan, guarantee and securities covered under section 185 of the Companies Act, 2013. The Company has not made any investment as referred in section 186(1) of the Act, other requirements relating to section 186 do not apply to the Company.
5. According to the information and explanations given to us, the Company has not accepted any deposits from the public.
6. The Central Government has not prescribed the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the services rendered by the Company.
- 7 (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities except in respect of income tax and service tax where there were slight delays in few cases. As explained to us, the Company did not have any dues on account of Sales-tax, Value added tax, cess, Duty of Excise and Duty of Customs.

According to the information and explanation given to us, no undisputed amounts payable in respect of Provident Fund, Income-tax, Service tax, Employees' State Insurance and material statutory dues were in arrears as at 31 March 2016 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no dues in respect of Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax which have not been deposited with the appropriate authorities on account of dispute.

62

- 8 In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank and dues to debenture holders. The Company did not have any outstanding dues to Government during the year.
- 9 According to the information and explanations given to us and our examination of the records of the Company, the term loans obtained and money raised through debt instruments during the year were applied for the purpose for which they were obtained. The Company has not raised money from initial public offer or further public offer.
- 10 According to the information and explanations given to us, we report that no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year except for instances of cash embezzlements by certain employees of the company aggregating to an amount of Rs. 538,241. Out of the above stated amount, Rs. 138,825 was recovered from certain employees and the company is attempting to recover the balance. The services of all the above mentioned employees have been terminated. The Company has provided for the outstanding amount of Rs. 399,416 in the books of accounts.
- 11 According to the information and explanations given to us, the provisions of Section 197 read with Schedule V to the Act is not applicable on the Company. Thus paragraph 3(xi) of the Order is not applicable.
- 12 According to the information and explanations given to us, the Company is not a Nidhi Company, hence paragraph 3(xii) of the Order is not applicable.
- 13 According to the information and explanations given to us, transactions with the related parties are in compliance with Section 177 and Section 188 of the Act, where applicable and details are disclosed in financial statements, as required by the applicable Accounting Standards.
- 14 According to the information and explanation given to us, the Company has made allotment of Cumulative Non-Convertible Compulsory Redeemable Preference Shares through private placement of 22,000,000 preference shares amounting to Rs. 220,000,000 during the year under audit. We report that requirements of Section 42 of the Act have been complied with and the amount raised have been used for the purpose for which the fund were raised.
- 15 According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

6


B S R & Associates LLP

- 16 The Company is required to be registered under Section 45-1A, of the Reserve Bank of India, Act, 1934, and accordingly, the Company has obtained the registration certificate from the Reserve Bank of India.

for B S R & Associates LLP

Chartered Accountants

Firm Registration No.: 116231W/W-100024



Sriram Mahalingam

Partner

Membership No.: 049642

Place : Hyderabad

Date: 30 May 2016

SV Creditline Private Limited
Balance Sheet as at 31 March 2016

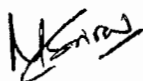
(All amounts in Indian rupees, except share data and where otherwise stated)

	Note	As at 31 March 2016	As at 31 March 2015
EQUITY AND LIABILITIES			
Shareholder's funds			
Share capital	2.1	648,460,640	408,460,640
Reserves and surplus	2.2	243,676,771	91,274,331
		<u>892,137,411</u>	<u>499,734,971</u>
Share application money pending allotment	2.35	-	20,742,457
Non-current liabilities			
Long-term borrowings	2.3	2,417,003,711	1,631,849,081
Other long-term liabilities	2.4	5,456,290	11,758,376
Long-term provisions	2.5	12,071,493	4,428,859
		<u>2,434,531,494</u>	<u>1,648,036,316</u>
Current liabilities			
Short-term borrowings	2.6	-	194,019,842
Trade Payables			
(a) total outstanding dues of micro enterprises and small enterprises	2.36	-	-
(b) total outstanding dues of creditors other than micro enterprise and small enterprises		6,781,536	15,343,696
Other current liabilities	2.7	3,460,001,646	2,128,089,832
Short-term provisions	2.8	55,743,013	23,837,715
		<u>3,522,526,195</u>	<u>2,361,291,085</u>
Total		<u>6,849,195,100</u>	<u>4,529,804,829</u>
ASSETS			
Non-current assets			
Fixed assets			
(i) Tangible assets	2.9	33,513,003	12,727,162
(ii) Intangible assets	2.9	86,405	131,358
(iii) Capital work-in-progress		316,463	2,082,158
Deferred tax assets (net)	2.24	17,107,495	5,191,897
Loan portfolio	2.14	1,207,208,422	442,885,889
Long-term loans and advances	2.10	96,059,377	90,263,095
Other non-current assets	2.11	342,538,900	210,567,976
		<u>1,696,830,065</u>	<u>763,849,535</u>
Current assets			
Trade receivables	2.12	51,132,292	4,834,026
Cash and bank balances	2.13	1,362,919,172	1,307,876,912
Loan portfolio	2.14	3,568,146,560	2,312,419,063
Short-term loans and advances	2.15	122,597,756	86,329,488
Other current assets	2.16	47,569,255	54,495,805
		<u>5,152,365,035</u>	<u>3,765,955,294</u>
Total		<u>6,849,195,100</u>	<u>4,529,804,829</u>
Significant accounting policies	1		
Notes to the financial statements	2		
The notes referred to above form an integral part of the financial statements			

As per our report of even date attached
for BSR & Associates LLP

Chartered Accountants

ICAI Firm Registration number: 116231W/W-100024



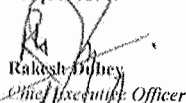
Sriram Mahalingam

Partner

Membership No: 049642

for SV Creditline Private Limited


Sanjay Sachdeva
Director
DIN:00012116


Rakesh Dohney
Chief Executive Officer


Sanil Malik
Company Secretary



Rakesh Arora

Director

DIN:00125076


Durgeshwar Mishra
Chief Financial Officer



Place: Hyderabad

Date: 30 May 2016

Place: Gurgaon

Date: 30 May 2016

S V Creditline Private Limited

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

(All amounts in Indian rupees, except share data and where otherwise stated)

	Note	For the year ended 31 March 2016	For the year ended 31 March 2015
Income			
Revenue from operations	2.17	12295,95,013	7142,48,918
Other income	2.18	23,92,181	3,38,472
Total revenue		12319,87,194	7145,87,390
Expenses			
Operating and other expenses	2.19	1372,55,161	831,19,033
Employee benefits expense	2.20	2530,48,503	1325,33,704
Finance cost	2.21	6716,81,453	3748,25,884
Depreciation and amortisation expense	2.9	51,61,546	33,42,957
Total expense		10671,46,663	5938,21,578
Profit before tax		1648,40,531	1207,65,812
Tax expenses:			
- Current tax charge		646,08,000	439,46,000
- Tax for earlier years		7,160	-
- Deferred tax charge/(credit)	2.24	(119,15,598)	(51,91,897)
Profit after tax		1121,40,969	820,11,709
Earning per equity share			
Basic and diluted	2.25	2.52	2.14
Nominal value of equity shares Rs. 10 (previous year Rs. 10)			
Significant accounting policies			
Notes to the financial statements	1		
	2		
The notes referred to above form an integral part of the financial statements			

As per our report of even date attached

for **BSR & Associates LLP**

Chartered Accountants

ICAI Firm Registration number: 116231W/W-100024



Sriram Mahalingam

Partner

Membership No: 049642

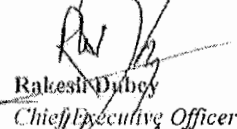
Place: Hyderabad

Date : 30 May 2016

for **S V Creditline Private Limited**



Sunil Sachdeva
Director
DIN:00912615



Rakesh Dubey
Chief Executive Officer



Sunil Malik
Company Secretary



Rakesh Arora
Director
DIN:00125976



Durgeshwar Mishra
Chief Financial Officer



Place: Gurgaon

Date : 30 May 2016

S V Creditline Private Limited

Cashflow statement for the year ended 31 March 2016

(All amounts in Indian rupees, except share data and where otherwise stated)

	For the year ended 31 March 2016	For the year ended 31 March 2015
Cash flows from operating activities		
Profit/(loss) before taxation	1648,40,531	1207,65,812
Adjustments:		
Depreciation and amortisation expense	51,61,546	33,42,957
Provisions on loan portfolio	202,00,500	126,29,877
Provisions on gratuity	-	20,43,905
Lease equalisation reserve	14,75,764	-
Provisions on loan portfolio write-off	7,43,739	50,03,510
Provision for cash embezzlement	3,99,416	-
Profit on sale of fixed assets	(516)	-
Operating cash flow before working capital changes	1928,20,980	1437,86,061
(Increase) / decrease in loan portfolio	(20207,93,769)	(12679,91,211)
(Increase) / decrease in long term loans and advances	142,03,720	(205,19,103)
(Increase) / decrease in short term loans and advances	(362,68,268)	(232,12,736)
(Increase)/ decrease in other current assets	69,26,550	(86,83,071)
(Increase)/ decrease in other non current assets	35,08,881	(1541,31,672)
(Increase)/decrease in trade receivables	(462,98,266)	(36,43,009)
Increase / (decrease) in trade payables	(85,62,160)	-
Increase / (decrease) in current liabilities and current provisions	3139,36,982	(454,32,829)
Increase/(decrease) in other long-term liabilities and non current provisions	(77,77,850)	27,33,039
Operating Cash flow after working capital changes	(15883,03,200)	(13770,94,531)
Income taxes paid	(536,45,983)	(310,76,761)
Net cash used in operating activities (A)	(16419,49,183)	(14081,71,292)
Cash flows from investing activities		
Purchase of fixed assets	(241,42,223)	(118,99,983)
Increase in capital advance	(200,00,000)	-
Proceeds from sale of fixed assets	6,000	-
Investment in long term deposits with maturity of more than three months	(3470,87,465)	(35,26,315)
Net cash used in investing activities (B)	(3912,23,688)	(154,26,298)
Cash flows from financing activities		
Receipt/(refund) of share application money pending allotment	(207,42,457)	605,22,053
Proceeds from issuance of share capital including share premium	900,00,000	-
Proceeds from issuance of Preference share capital	2200,00,000	-
Redemption of preference share capital during the year	(200,00,000)	-
Proceeds from long term borrowings, net of repayments	18039,41,176	10007,71,012
Proceeds from short term borrowings, net of repayments	(1940,19,842)	8619,01,889
Dividend paid on preference shares	(23,32,026)	-
Dividend distribution tax paid on dividend of preference shares	(2,39,380)	-
Net cash from financing activities (C)	18766,07,471	19231,94,954
Net increase/(decrease) in cash and cash equivalents (A + B + C)	(1565,65,400)	4995,97,364
Cash and cash equivalents at the beginning of the year	11476,95,047	6480,97,683
Cash and cash equivalents at the end of the year	9911,29,647	11476,95,047
Cash and cash equivalents		
Cash in hand	30,26,899	18,73,717
Balances with banks		
- in current accounts	9881,02,748	10117,24,435
- in deposit accounts (with less than 3 months maturity)	-	1340,96,895
	9911,29,647	11476,95,047

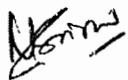
Note: The cash flow statement has been prepared in accordance with the 'Indirect Method' specified in Accounting Standard 3 Cash flow statement, as per Accounting Standard specified under Section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.

As per our report of even date attached

for **B S R & Associates LLP**

Chartered Accountants

ICAI Firm Registration number: 116231W/W-100024



Sriram Mahalingam

Partner

Membership No: 049642

Place: Hyderabad


Date: 30 May 2016

for **S V Creditline Private Limited**



Sanda Sachdeva

Director

DIN: 00812145


Rakesh Anand

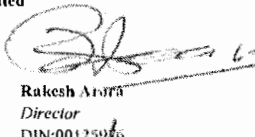
Chief Executive Officer


Sanda Sachdeva

Company Secretary


Place: Gurgaon

Date: 30 May 2016


Rakesh Anand

Director

DIN: 00125976


Durgesh Chandra

Chief Financial Officer



S V Creditline Private Limited

Notes to the financial statements for the year ended 31 March 2016

(All amounts in Indian rupees, except share data and where otherwise stated)

Company overview

S V Creditline Private Limited ("the Company") was incorporated on 22 August 1996 under the Companies Act, 1956. The Company was registered as a Non Deposit taking Non-Banking Financial Company under Section 45-IA of the Reserve Bank of India (RBI) Act, 1934 on 15 December 2008. The Company got converted to Non-Banking Financial Company-Micro Finance Institution (NBFC-MFI) with effect from 22 November 2013.

The Company is primarily engaged in the business of microfinance activities. It offers micro finance loans to under-served poor households living in rural and urban areas.

1 Significant accounting policies

a) Basis of preparation of financial statements

These financial statements of S V Creditline Private Limited ('the Company' or 'SVCL') have been prepared and presented under the historical cost convention on the accrual basis of accounting and comply with the Accounting Standards ('AS') specified under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, other accounting principles generally accepted (GAAP) in India and the Reserve Bank of India ('RBI') guidelines to the extent applicable to a Non-Deposit taking Non-Banking Finance Company and Non-Banking Financial Company-Micro Finance Institution (NBFC-MFI). The financial statements are presented in Indian Rupees rounded off to the nearest rupee.

b) Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires management to make judgments, estimates and assumptions that affect the application of accounting principles, reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognized prospectively in current and future periods.

c) Current – non-current classification

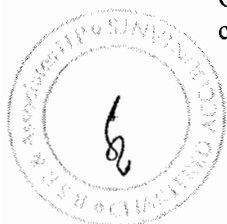
All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- i. it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- ii. it is held primarily for the purpose of being traded;
- iii. it is expected to be realized within 12 months after the reporting date; or
- iv. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for atleast 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.



S V Creditline Private Limited

Notes to financial statements for the year ended 31 March 2016 (continued)

(All amounts in Indian rupees, except share data and where otherwise stated)

1 Significant accounting policies (continued)

c) Current – non-current classification (continued)

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- i. it is expected to be settled in the Company's normal operating cycle;
- ii. it is held primarily for the purpose of being traded;
- iii. it is due to be settled within 12 months after the reporting date; or
- iv. the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

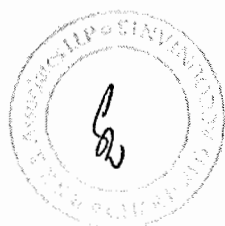
Current liabilities include the current portion of non-current financial liabilities. All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

d) Revenue recognition

- i. Interest income on loan portfolio is recognized in the Statement of Profit and Loss on accrual basis taking into account the amount outstanding and rate applicable except in the case of non-performing assets (NPA's) where it is recognized, upon realization, as per the prudential norms of RBI.
- ii. Profit/ Premium arising at the time of securitization and assignment of loan portfolio is amortised over the life of the underlying loan portfolio/ securities and any loss arising therefrom is accounted for immediately. Income from interest strip (excess interest spread) is recognised in the Statement of Profit and Loss net of any losses when redeemed in cash.
- iii. Income from business correspondent activity is recognised on accrual basis as per the terms of arrangement entered into with all banks/ finance companies.
- iv. Loan processing fee received upfront are considered to be accrued at the time of entering into a binding agreement upon its receipt and are recognized accordingly.
- v. Interest on term deposits has been accrued on the time proportion basis, using the underlying interest rates.
- vi. Dividend income is accounted when the right to receive the dividend is established.



S V Creditline Private Limited

Notes to financial statements for the year ended 31 March 2016 (continued)

(All amounts in Indian rupees, except share data and where otherwise stated)

1 Significant accounting policies (continued)

e) Classification of loan portfolio and provisioning policy

Loan Portfolio is classified and provision is made in accordance with the Non-Banking Financial Company – Micro Finance Institutions (NBFC-MFIs) Directions issued by Reserve Bank of India as mentioned below:

Asset classification

Standard asset: Asset in respect of which, no default in repayment of principal or payment of interest is perceived and which does not disclose any problem nor carry more than normal risk attached to the business.

Non-performing asset: Asset for which, interest / principal payment has remained overdue for a period of 90 days or more.

Provisioning norms

The aggregate loan provision of the Company shall be higher of:

- i) 1% of the loan portfolio outstanding.
- ii) 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.

f) Fixed assets and depreciation

Tangible fixed asset

Tangible fixed assets are carried at cost of acquisition less accumulated depreciation. The cost of tangible fixed assets comprises the purchase price, taxes, duties, freight (net of rebates and discounts) and any other directly attributable costs of bringing the assets to their working condition for their intended use. Borrowing costs directly attributable to acquisition of those tangible fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalised.

Subsequent expenditures related to an item of tangible fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Tangible fixed assets under construction and tangible fixed assets acquired but not ready for their intended use are disclosed as capital work-in-progress.

The Company charges depreciation on tangible fixed assets, other than leasehold improvements, under Straight Line Method as per the rates of depreciation prescribed in Schedule II to the Companies Act, 2013.

Leasehold improvements are amortised over the primary period of the lease or the estimated useful life of the assets, whichever is lower.

Losses arising from retirement or gains or losses arising from disposal of fixed assets which are carried at cost are recognized in the Statement of Profit and Loss.



S V Creditline Private Limited

Notes to financial statements for the year ended 31 March 2016 (continued)

(All amounts in Indian rupees, except share data and where otherwise stated)

1 Significant accounting policies (continued)

Till the previous year, for assets costing less than Rs. 5,000 based on internal assessment and materiality, the management has estimated that the same shall be depreciated in the year of purchase. During the year ended 31 March 2016, the management has re-estimated useful lives of fixed assets costing less than Rs. 5,000 and depreciated such assets over their useful lives. Due to this, depreciation charge for the year is lower by Rs. 664,773. Accordingly, profit before tax for the year and consequential impact on reserves and surplus and net fixed assets are higher by said amount.

Intangible assets

Intangible assets that are acquired by the Company are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less any accumulated amortisation and any accumulated impairment loss. Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates.

Intangible assets are amortized in the Statement of Profit and Loss over their estimated useful lives from the date they are available for use based on the expected pattern of consumption of economic benefits of the asset. Intangible asset are amortised on straight line basis. Computer software was amortised on straight line basis over their estimated useful life of three years.

g) Foreign currency transaction

Foreign currency transactions are recorded at the exchange rates prevailing on the date of transaction. Differences arising out of foreign currency transactions settled during the year are recognised in the Statement of Profit and Loss.

Monetary items outstanding at the balance sheet date and denominated in foreign currencies are restated at the exchange rates prevailing at the end of the year. Differences arising on such restatement are recognized in the Statement of Profit and Loss. Non-monetary assets and liabilities denominated in foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

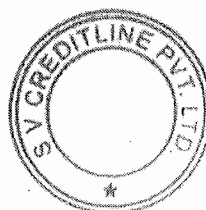
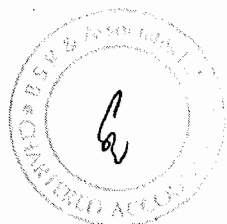
h) Accounting for grants

Grants received in relation to operating expenses are recognised as an income in the Statement of Profit and Loss over the period in which the related expenses are incurred.

i) Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments.

Long term investments are carried at cost less any other-than-temporary diminution in value. Current investments are valued at lower of cost and fair value determined on individual investment basis.



S V Creditline Private Limited

Notes to financial statements for the year ended 31 March 2016 (continued)

(All amounts in Indian rupees, except share data and where otherwise stated)

1 Significant accounting policies (continued)

j) Employee benefits

Defined contribution plans

The Company makes specified monthly contribution towards employee provident fund to Government administered provident fund scheme, which is a defined contribution scheme. The Company's contribution is recognized as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Defined benefit plan

The Company provides for gratuity, a defined benefit plan covering eligible employees. Gratuity is covered under a scheme administered by India First Insurance Company Limited and the contributions made by the Company to the scheme are recognised in the Statement of Profit and Loss. The liability recognised in the Balance Sheet in respect of defined benefit plans is the present value of the defined benefit obligation as at the balance sheet date less the fair value of plan assets. The calculation of the Company's obligation under the plan is performed annually by qualified independent actuary using the projected unit credit method. Actuarial gains and losses arising during the year are immediately recognised in the Statement of Profit and Loss.

Other short term benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and leave encashment. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees. Expense in respect of other short term benefits is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee.

k) Borrowing costs

All borrowing costs are expensed in the period they occur. Borrowing cost includes interest and other costs incurred in connection with the arrangement of borrowings.

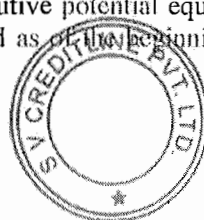
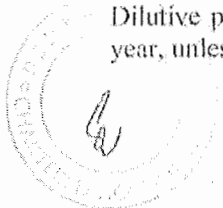
l) Leases

Leases that do not transfer substantially all the risks and rewards of ownership are classified as operating leases and recorded as expense as and when the payments are made over the lease term.

Assets taken on lease where the Company acquires substantially the entire risks and rewards incidental to ownership are classified as finance leases. The amount recorded is the lesser of the present value of minimum lease rental and other incidental expenses during the lease term or the fair value of the assets taken on lease.

m) Earnings per share (EPS)

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to the equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity share. Dilutive potential equity shares are deemed to have been converted as of the beginning of the year, unless they have been issued at a later date.



S V Creditline Private Limited

Notes to financial statements for the year ended 31 March 2016 (continued)

(All amounts in Indian rupees, except share data and where otherwise stated)

1 Significant accounting policies (continued)

n) Income taxes

Income tax expense comprises of current tax and deferred tax.

Current tax

The current charge for income tax is calculated in accordance with the relevant tax regulations applicable to the Company.

Deferred tax

Deferred tax charge or benefit reflects the tax effects of timing differences between accounting income and taxable income for the year. The deferred tax charge or benefit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantially enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognised only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed at each balance sheet date and written-down or written-up to reflect the amount that is reasonably/virtually certain to be realized.

o) Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that any assets forming part of its cash generating units may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs to is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss. If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the reassessed recoverable amount subject to a maximum of depreciated historical cost.

p) Provisions and contingent liabilities

A provision is recognised if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. The provisions are measured on an undiscounted basis.

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

A contract is considered as onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.



S V Creditline Private Limited

Notes to financial statements for the year ended 31 March 2016 (continued)

(All amounts in Indian rupees, except share data and where otherwise stated)

1 Significant accounting policies (continued)

q) Cash and Cash equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise cash in hand and cash at bank and short-term investments with an original maturity of three months or less.

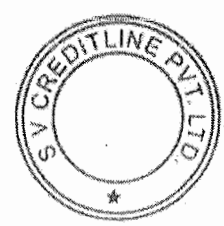


S V Creditline Private Limited

Notes to the financial statements for the year ended 31 March 2016 (continued)

(All amounts in Indian rupees, except share data and where otherwise stated)

	As at 31 March 2016	As at 31 March 2015
2.1 Share capital		
Authorised:		
Equity shares		
50,000,000 (previous year: 45,000,000) equity shares of Rs. 10 each	5000,00,000	4500,00,000
Preference shares		
35,000,000 (previous year: 10,000,000) preference shares of Rs. 10 each	3500,00,000	1000,00,000
	8500,00,000	5500,00,000
Issued, subscribed and paid-up:		
Equity shares		
42,846,064 (previous year: 38,846,064) equity shares of Rs. 10 each, fully paid up	4284,60,640	3884,60,640
Preference Shares		
Nil (previous year: 2,000,000) 12% Cumulative Non convertible Compulsorily Redeemable Preference shares (CNCRPS I) (carrying dividend rate of 12% per annum measured on XIRR basis) of Rs. 10 each, fully paid up	-	200,00,000
7,000,000 (previous year: Nil) 12.50% Cumulative Non convertible Compulsorily Redeemable Preference shares (CNCRPS II) (carrying dividend rate of 12.50% per annum) of Rs. 10 each, fully paid up	700,00,000	-
10,000,000 (previous year: Nil) 2.00% Cumulative Non convertible Compulsorily Redeemable Preference shares (CNCRPS III) (carrying dividend rate of 2.00% per annum) of Rs. 10 each, fully paid up	1000,00,000	-
5,000,000 (previous year: Nil) 12.50% Cumulative Non convertible Compulsorily Redeemable Preference shares (CNCRPS IV) (carrying dividend rate of 12.5% per annum) of Rs. 10 each, fully paid up	500,00,000	-
	6484,60,640	4084,60,640



S V Creditline Private Limited

Notes to the financial statements for the year ended 31 March 2016 (continued)
(All amounts in Indian rupees, except share data and where otherwise stated)

2.1 Share capital (continued)

The reconciliation of the number of shares outstanding is set out below:

Equity shares

Particulars	As at 31 March 2016		As at 31 March 2015	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	388,46,064	3884,60,640	366,23,842	3662,38,420
Issued during the year	40,00,000	400,00,000	22,22,222	222,22,220
Outstanding at the end of the year	428,46,064	4284,60,640	388,46,064	3884,60,640

12% Cumulative Non-convertible Compulsorily Redeemable Preference shares (CNCRPS I)

Particulars	As at 31 March 2016		As at 31 March 2015	
	Number of shares	Amount	Number of shares	Amount
Outstanding as at the beginning of the year	20,00,000	200,00,000	-	-
Issued during the year	-	-	20,00,000	200,00,000
Redeemed during the year	20,00,000	200,00,000	-	-
Outstanding as at the end of the year	-	-	20,00,000	200,00,000

12.50% Cumulative Non-convertible Compulsorily Redeemable Preference shares (CNCRPS II)

Particulars	As at 31 March 2016		As at 31 March 2015	
	Number of shares	Amount	Number of shares	Amount
Outstanding as at the beginning of the year	-	-	-	-
Issued during the year	70,00,000	700,00,000	-	-
Outstanding as at the end of the year	70,00,000	700,00,000	-	-

2% Cumulative Non-convertible Compulsorily Redeemable Preference shares (CNCRPS III)

Particulars	As at 31 March 2016		As at 31 March 2015	
	Number of shares	Amount	Number of shares	Amount
Outstanding as at the beginning of the year	-	-	-	-
Issued during the year	100,00,000	1000,00,000	-	-
Outstanding as at the end of the year	100,00,000	1000,00,000	-	-

12.50% Cumulative Non-convertible Compulsorily Redeemable Preference shares (CNCRPS IV)

Particulars	As at 31 March 2016		As at 31 March 2015	
	Number of shares	Amount	Number of shares	Amount
Outstanding as at the beginning of the year	-	-	-	-
Issued during the year	50,00,000	500,00,000	-	-
Outstanding as at the end of the year	50,00,000	500,00,000	-	-



S V Creditline Private Limited

Notes to the financial statements for the year ended 31 March 2016 (continued)

(All amounts in Indian rupees, except share data and where otherwise stated)

2.1 Share capital (continued)

The rights, preferences and restrictions attached to equity shares :

The Company has single class equity shares having a par value of Rs. 10 per equity share. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company in proportion to the number of equity shares held.

The rights, preferences and restrictions attached Compulsorily Non-Convertible Redeemable Preference shares (CNCRPS I) :

CNCRPS I were issued at par on 26 March 2015 to Karvy Capital Limited. CNCRPS I carry a preferential right as to dividend over equity shareholders @ 12% per annum measured on XIRR basis. The holders of CNCRPS I shall have no voting rights other than in respect of matters directly affecting the rights attached to CNCRPS I. CNCRPS I shareholder acquires voting rights on par with an equity shareholder if the dividend on preference shares has remained unpaid for a period of not less than two years subject to the provisions of the Companies Act, 2013. In the event of liquidation, preference shareholders have a preferential right over equity shareholders to be repaid to the extent of capital paid-up and dividend in arrears on such shares as per the terms agreed. The CNCRPS I are redeemable at par on 29 March 2016 as per the terms of the Preference Share Subscription Agreement dated 30 March 2015. Consequently, on 29 March 2016, these CNCRPS I were redeemed at par.

The rights, preferences and restrictions attached to 12.50% Compulsorily Non-Convertible Redeemable Preference shares (CNCRPS II) :

CNCRPS II were issued at par on 28 August 2015 to Unifi AIF. CNCRPS II carry a preferential right as to dividend over equity shareholders @ 12.50% per annum. The holders of CNCRPS II shall have no voting rights other than in respect of matters directly affecting the rights attached to CNCRPS. CNCRPS II shareholder acquires voting rights on par with an equity shareholder if the dividend on preference shares has remained unpaid for a period of not less than two years subject to the provisions of the Companies Act, 2013. In the event of liquidation, preference shareholders have a preferential right over equity shareholders to be repaid to the extent of capital paid-up and dividend in arrears on such shares as per the terms agreed. The CNCRPS II issued to Unifi-Aif are redeemable at par on 30 August 2016 as per the terms of the Preference Share Subscription Agreement dated 31 August 2015.

The rights, preferences and restrictions attached to 2% Compulsorily Non-Convertible Redeemable Preference shares (CNCRPS III) :

CNCRPS III were issued at par on 10 November 2015 to Mr. Sunil Sachdeva (Promoter of the Company). CNCRPS III carry a preferential right as to dividend over equity shareholders @ 2% per annum. The holders of CNCRPS III shall have no voting rights other than in respect of matters directly affecting the rights attached to CNCRPS III. CNCRPS III shareholder acquires voting rights on par with an equity shareholder if the dividend on preference shares has remained unpaid for a period of not less than two years subject to the provisions of the Companies Act, 2013. In the event of liquidation, preference shareholders have a preferential right over equity shareholders to be repaid to the extent of capital paid-up and dividend in arrears on such shares as per the terms agreed. The CNCRPS III are redeemable at par on 25 September 2016 as per the terms of the Preference Share Subscription Agreement dated 11 December 2015 and promoter preference shares can be rolled over till the time there is sufficient cover.

The rights, preferences and restrictions attached to 12.50% Compulsorily Non-Convertible Redeemable Preference shares (CNCRPS IV) :

CNCRPS IV were issued at par on 05 March 2016 to Maanaveeya Development and Finance Private Limited. CNCRPS IV carry a preferential right as to dividend over equity shareholders @ 12.50% per annum. The holders of CNCRPS IV shall have no voting rights other than in respect of matters directly affecting the rights attached to CNCRPS IV. CNCRPS IV shareholder acquires voting rights on par with an equity shareholder if the dividend on preference shares has remained unpaid for a period of not less than two years subject to the provisions of the Companies Act, 2013. In the event of liquidation, preference shareholders have a preferential right over equity shareholders to be repaid to the extent of capital paid-up and dividend in arrears on such shares as per the terms agreed. The CNCRPS IV issued to Maanaveeya Development and Finance Private Limited are redeemable at par on 27 March 2017 as per the terms of the Preference Share Subscription Agreement dated 29 March 2016.



S V Creditline Private Limited

Notes to the financial statements for the year ended 31 March 2016 (continued)

(All amounts in Indian rupees, except share data and where otherwise stated)

2.1 Share capital (continued)

Particulars of shareholder holding more than 5% of equity shares of Rs. 10 each is set below:

Name of the shareholder	As at 31 March 2016		As at 31 March 2015	
	Number of shares	% of Holding	Number of shares	% of Holding
S V Corporation Private Limited	214,23,032	50.00%	194,23,032	50.00%
Vans Pte Limited, Singapore	214,23,032	50.00%	194,23,032	50.00%

Particulars of shareholder holding more than 5% of 12.50% CNCRPS I of Rs. 10 each is set below:

Name of the shareholder	As at 31 March 2016		As at 31 March 2015	
	Number of shares	% of Holding	Number of shares	% of Holding
Karvy Capital Limited (on behalf of A/c Demeter Portfolio of Karvy Capital Portfolio Management Services)	-	-	20,00,000	100%

Particulars of shareholder holding more than 5% of 12.50% CNCRPS II of Rs. 10 each is set below:

Name of the shareholder	As at 31 March 2016		As at 31 March 2015	
	Number of shares	% of Holding	Number of shares	% of Holding
Unifi-Aif	70,00,000	100%	-	-

Particulars of shareholder holding more than 5% of 2% CNCRPS III of Rs. 10 each is set below:

Name of the shareholder	As at 31 March 2016		As at 31 March 2015	
	Number of shares	% of Holding	Number of shares	% of Holding
Sunil Sachdeva	100,00,000	100%	-	-

Particulars of shareholder holding more than 5% of 12.50% CNCRPS IV of Rs. 10 each is set below:

Name of the shareholder	As at 31 March 2016		As at 31 March 2015	
	Number of shares	% of Holding	Number of shares	% of Holding
Maanaveeya Development and Finance Private Limited	50,00,000	100%	-	-



S V Creditline Private Limited

Notes to the financial statements for the year ended 31 March 2016 (continued)

(All amounts in Indian rupees, except share data and where otherwise stated)

	As at 31 March 2016	As at 31 March 2015
2.2 Reserves and surplus		
Capital Redemption Reserve (refer to note a)		
Opening balance	-	-
Add: Amount transferred during the year	200,00,000	-
Closing balance	200,00,000	-
Securities premium account		
Opening balance	177,77,776	-
Add: Addition during the year	500,00,000	177,77,776
Closing balance	677,77,776	177,77,776
Statutory reserve (created under Section 45-1C of RBI Act, 1934) (refer to note b)		
Opening balance	345,48,693	181,46,351
Add: Amount transferred	224,28,193	164,02,342
Closing balance	569,76,886	345,48,693
General reserve	1,00,701	1,00,701
Surplus/ (Deficit) (Profit and loss balance)		
Opening balance	388,47,161	(230,69,846)
Add: Profit/ (loss) for the year	1121,40,969	820,11,709
Less : Amount transferred to statutory reserve	(224,28,193)	(164,02,342)
Less: Amount of depreciation as per transition provision of Companies Act, 2013		
- On tangible assets (refer note 2.9 and note 2.59)	-	(30,13,327)
- On intangible assets (refer note 2.9 and note 2.59)	-	(6,63,253)
Less : Amount transferred to Capital Redemption Reserve	(200,00,000)	-
Dividend paid on preference shares	(23,18,875)	-
Dividend distribution tax paid/payable on dividend paid on preference shares	(4,74,754)	-
Proposed dividend on preference shares	(57,72,412)	(13,151)
Dividend distribution tax on proposed dividend on preference shares	(11,72,489)	(2,629)
Closing balance	988,21,408	388,47,161
Total	2436,76,771	912,74,331

Notes:

(a) The Company had issued 12% Compulsory Non-Convertible Redeemable Preference Shares of Rs. 10 each on 30 March 2015 which were redeemed out of profit on 29 March 2016. In order to comply with the requirements of Section 55 of the Companies Act, 2013, the Company has transferred Rs. 20,00,000 to the Capital Redemption Reserve.

(b) Statutory Reserve represents the reserve fund created under Section 45- IC of the Reserve Bank of India Act, 1934 (RBI Act). Under Section 45 IC, the Company is required to transfer a sum not less than twenty percent of its net profit every year. Accordingly, the Company in the current year has transferred Rs. 22,428,193 (previous year Rs. 16,402,342) being twenty percent of net profit for the financial year to the Statutory Reserve. The Statutory Reserve can be utilised for the purpose as specified by the Reserve Bank of India from time to time.



S V Creditline Private Limited

Notes to the financial statements for the year ended 31 March 2016 (continued)

(All amounts in Indian rupees, except share data and where otherwise stated)

	As at 31 March 2016	As at 31 March 2015
2.3 Long-term borrowings*		
Secured		
Debtentures		
Nil (Previous year: 180) redeemable non convertible debtentures of Rs 500,000 each		37,50,120
750 (Previous year: 315) redeemable non convertible debtentures of Rs 1,000,000 each	5916,66,800	1045,83,000
Term loans		
- from banks	10150,72,658	9085,12,685
- from financial institution	691,99,998	1709,14,545
- from non banking financial companies	5410,64,255	3436,44,984
Vehicle loan		4,43,747
Unsecured		
Debtentures -Subordinate debt		
100 (Previous year: Nil) redeemable non convertible debtentures of Rs 1,000,000 each	1000,00,000	
Term loans		
- from financial institution	1000,00,000	1000,00,000
	<u>24170,03,711</u>	<u>16318,49,081</u>
2.4 Other long-term liabilities		
Unamortised income on securitisation	38,96,626	117,58,376
Collateral received from dealers	83,900	
Lease Equalisation Reserve	14,75,764	
	<u>54,56,290</u>	<u>117,58,376</u>
2.5 Long-term provisions		
Provision on loan portfolio (refer note 2.23)	120,71,493	44,28,859
	<u>120,71,493</u>	<u>44,28,859</u>
2.6 Short-term borrowings		
Secured		
- from banks		333,33,333
- from non-banking financial companies		1606,86,509
		<u>1940,19,842</u>
2.7 Other current liabilities		
Current maturities of long term debt*		
Debtentures		
180 (Previous year: 180) redeemable non convertible debtentures of Rs 500,000 each *	37,50,120	450,00,000
515 (Previous year: 315) redeemable non convertible debtentures of Rs 1,000,000 each **	1987,49,760	1416,66,960
Term loans		
- from banks	16779,96,927	11762,95,955
- from financial institution	1017,60,000	1142,38,770
- from non-banking financial companies	10585,24,499	5448,38,092
Vehicle loan	4,43,494	3,98,477
	<u>30412,24,800</u>	<u>20224,38,254</u>
Payable towards securitised/assigned portfolio	2297,87,395	437,40,784
Advance/Payable towards business correspondence portfolio	764,78,015	95,38,935
Unamortised income on securitised portfolio	47,40,895	171,01,482
Interest accrued but not due on borrowings	367,56,132	103,60,975
Statutory liabilities	82,96,815	64,35,819
Employee benefits payable	227,35,950	105,04,644
Deferred revenue grant		8,79,022
Other liabilities	398,83,437	70,89,917
Share application money due for refund	98,207	
	<u>34600,01,646</u>	<u>21280,89,832</u>

* An amount of Rs. 45,000,000 (previous year Rs. 41,249,880) has been redeemed upto 31 March 2016

** An amount of Rs. 205,833,400 (previous year Rs. 68,750,040) has been redeemed upto 31 March 2016



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S V Creditline Private Limited

Notes to the financial statements for the year ended 31 March 2016 (continued)

(All amounts in Indian rupees, except share data and where otherwise stated)

	As at 31 March 2016	As at 31 March 2015
28 Short-term provisions		
Provision on loan portfolio (refer to note 2.23)	356,82,057	231,24,191
Provision for employee benefits		
- Gratuity	19,08,874	6,97,744
Provision for taxation (net of advance tax of Rs 53,638,823)	109,69,178	-
Provision for proposed dividend on preference shares	57,72,412	13,151
Provision for dividend distribution tax on dividend on preference shares	14,10,492	2,629
	<u>557,43,013</u>	<u>238,37,715</u>



S V Creditline Private Limited

Notes to the financial statements for the year ended 31 March 2016 (continued)

(All amounts in Indian rupees, except share data and where otherwise stated)

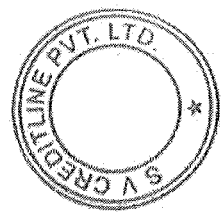
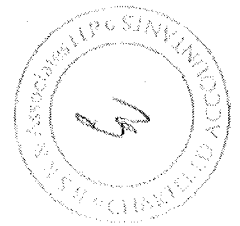
2.9 Fixed assets

Description	Gross block			Depreciation and amortisation					Net block	
	As at 1 April 2015	Additions	Deletions	As at 31 March 2016	As at 1 April 2015	Transferred to reserves and surplus*	For the year	Adjustment or deletions	As at 31 March 2016	As at 31 March 2015
Tangible assets										
Leasehold improvements	-	55,13,036	-	55,13,036	-	-	1,82,288	-	53,30,748	-
Vehicles	14,71,718	-	-	14,71,718	1,84,023	-	1,83,561	-	11,04,134	12,87,695
Computers	134,20,034	48,32,119	7,350	182,44,803	81,06,524	-	23,81,232	1,866	77,58,913	53,13,510
Furniture and fixture	63,40,722	99,09,413	-	162,50,135	31,76,451	-	6,38,961	-	124,34,723	31,64,271
Office equipment	52,78,422	56,53,350	-	1,09,31,772	23,16,736	-	17,30,551	-	68,84,485	29,61,686
Total (A)	265,10,896	259,07,918	7,350	524,11,464	137,83,734	-	51,16,593	1,866	335,13,003	127,27,162
Intangible assets										
Computer software	36,10,975	-	-	36,10,975	34,79,617	-	44,953	-	86,405	1,31,358
Total (B)	36,10,975	-	-	36,10,975	34,79,617	-	44,953	-	86,405	1,31,358

For the year ended 31 March 2015

Description	Gross block			Depreciation and amortisation					Net block	
	As at 1 April 2014	Additions	Deletions	As at 31 March 2015	As at 1 April 2014	Transferred to reserves and surplus*	For the year	Adjustment or deletions	As at 31 March 2015	As at 31 March 2014
Tangible assets										
Leasehold improvements	31,89,656	-	31,89,656	-	31,89,656	-	-	31,89,656	-	-
Vehicles	14,71,718	-	-	14,71,718	1,044	-	1,82,979	-	1,84,023	14,70,674
Computers	92,77,752	41,42,282	-	134,20,034	41,37,481	29,62,769	10,06,274	-	81,06,524	51,40,271
Furniture and fixture	30,39,146	33,01,576	-	63,40,722	27,18,186	-	4,58,265	-	31,76,451	3,20,960
Office equipment	31,01,492	21,76,930	-	52,78,422	9,92,786	50,558	12,73,392	-	23,16,736	21,08,706
Total (A)	200,79,764	96,20,788	31,89,656	265,10,896	110,39,153	30,13,327	29,20,910	31,89,656	137,83,734	90,40,611
Intangible assets										
Computer software	34,13,937	1,97,038	-	36,10,975	23,94,317	6,63,253	4,22,047	-	34,79,617	10,19,620
Total (B)	34,13,937	1,97,038	-	36,10,975	23,94,317	6,63,253	4,22,047	-	34,79,617	10,19,620

* refer to note 2.59



S V Creditline Private Limited

Notes to the financial statements for the year ended 31 March 2016 (continued)

(All amounts in Indian rupees, except share data and where otherwise stated)

	As at 31 March 2016	As at 31 March 2015
2.10 Long-term loans and advances		
(Unsecured, considered good)		
Capital advances	750,00,000	550,00,000
Security deposits towards borrowings*	180,43,141	316,04,960
Deposits	30,16,236	30,64,673
Advance tax (net of provision for tax of previous year: Rs. 61,224,391)	-	5,93,462
	960,59,377	902,63,095
*Represents deposits maintained as cash collateral against term loans.		
2.11 Other non-current assets		
(Unsecured, considered good)		
Long term bank deposits with maturity of more than 12 months*	3250,11,143	1895,31,338
Interest accrued but not due on		
- fixed deposits with banks	139,94,899	64,47,964
- security deposits	16,73,862	8,40,122
Unamortised processing fees	18,58,996	137,48,552
	3425,38,900	2105,67,976
*It includes deposits maintained as cash collateral against term loans availed Rs. 253,954,748 (previous year Rs.175,750,000), against securitised portfolio Rs. 35,556,395 (previous year Rs. 13,781,338) and against business correspondence portfolio Rs. 35,500,000 (previous year Rs. Nil).		
2.12 Trade receivable		
(Unsecured, considered good)		
Receivable outstanding for a period exceeding six months from the date they became due for payment	-	-
Other receivables	511,32,292	48,34,026
	511,32,292	48,34,026
2.13 Cash and bank balances		
Cash and cash equivalents		
Cash in hand	30,26,899	18,73,717
Balances with banks		
- in current accounts	9881,02,748	10117,24,435
- in deposit accounts (with less than 3 months maturity)*	-	1340,96,895
Total (A)	9911,29,647	11476,95,047
Other bank balances		
- Bank deposits with maturity more than 3 months	6968,00,668	3497,13,203
Less: Bank deposits with maturity of more than 12 months disclosed under other non-current assets (refer note 2.11)	3250,11,143	1895,31,338
Total (B)*	3717,89,525	1601,81,865
Total cash and bank balances (A+B)	13629,19,172	13078,76,912

*It includes deposits maintained as cash collateral against term loans availed of Rs. 183,582,231 (previous year Rs.109,800,000), securitised portfolio of Rs. 17,538,359 (previous year Rs. 66,452,308) and business correspondence portfolio of Rs.170,668,935 (previous year Rs. 17,929,557)



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S V Creditline Private Limited

Notes to the financial statements for the year ended 31 March 2016 (continued)
(All amounts in Indian rupees, except share data and where otherwise stated)

	As at 31 March 2016	As at 31 March 2015
2.14 Loan portfolio		
<i>Unsecured</i>		
Microfinance		
Gross loan portfolio	101647,57,591	42115,14,862
Less: Securitised portfolio outstanding	7353,60,000	6302,67,475
Less: Assigned portfolio outstanding	2213,18,384	2911,31,248
Less: Portfolio under business correspondence outstanding	44331,36,287	5353,27,700
Total (A)	47749,42,920	27547,88,439
Of the above :		
Loan portfolio (considered good)*	47642,70,009	27523,64,986
Loan portfolio (considered doubtful)	106,72,911	24,23,453
<i>Secured</i>		
Other loans (B)	2,13,412	-
Of the above :		
Loan portfolio (considered good)	2,13,412	-
Loan portfolio (considered doubtful)	-	-
<i>Unsecured</i>		
Other loans (C)	1,98,650	5,16,513
Of the above :		
Loan portfolio (considered good)	1,98,650	5,16,513
Loan portfolio (considered doubtful)	-	-
Total (A+B+C)	47753,54,982	27553,04,952
Less: Non current portion of loan portfolio.	12072,08,422	4428,85,889
Current portion of the loan portfolio	35681,46,560	23124,19,063
*Total loan portfolio outstanding as at 31 March 2016 includes Rs 11,648,336 (previous year: Rs. 15,284,770) towards minimum retention requirement against assigned portfolio and Rs. 9,847,168 (previous year Rs Nil) towards minimum retention requirement against securitised portfolio.		
2.15 Short-term loan and advances		
(Unsecured, considered good)		
Advances recoverable in cash or kind or for value to be received	265,57,525	35,22,546
Security deposits towards borrowings*	536,15,172	476,55,979
Advance to employees	8,70,908	-
Deposits	-	60,00,000
Prepaid expenses	20,43,001	151,53,546
Service tax receivable	7,23,947	5,56,035
Other receivables	387,87,203	134,41,382
	1225,97,756	863,29,488
*Represents deposits maintained as cash collateral against term loans.		
2.16 Other current assets		
Interest accrued but not due		
- on loan portfolio	212,28,901	139,54,464
- on other portfolio	-	13,80,732
- on fixed deposit with banks	204,45,929	129,60,614
- on security deposits	26,83,442	26,36,824
Unamortised processing fees	32,10,983	235,63,171
	475,69,255	544,95,805



S V Creditline Private Limited

Notes to the financial statements for the year ended 31 March 2016 (continued)
(All amounts in Indian rupees, except share data and where otherwise stated)

	For the year ended 31 March 2016	For the year ended 31 March 2015
2.17 Revenue from operations		
Interest income on loan portfolio	8518,02,962	5258,41,477
Income from asset securitisation and assignment	555,63,430	587,10,579
Processing fee on loan portfolio	775,76,585	556,56,153
Income from business correspondence services	1693,65,500	250,39,613
	<u>11543,08,477</u>	<u>6652,47,822</u>
Other operating income		
Interest on fixed deposits	692,09,020	371,00,853
Interest on security deposits	60,77,516	83,12,940
Dividend income from mutual funds	-	35,87,303
	<u>752,86,536</u>	<u>490,01,096</u>
	<u>12295,95,013</u>	<u>7142,48,918</u>
2.18 Other Income		
Income from grants	21,46,151	-
Miscellaneous income	2,46,030	3,38,472
	<u>23,92,181</u>	<u>3,38,472</u>
2.19 Operating and other expenses		
Rent (refer note 2.28)	250,96,651	164,63,996
Office maintenance	58,45,024	45,51,133
Travelling and conveyance	314,05,058	162,65,963
Legal and professional expenses	227,29,412	140,16,623
Vehicle expenses	2,74,017	2,42,300
Postage and communication	53,26,244	33,68,338
Loss on securitised loan portfolio	5,75,869	47,673
Printing and stationery	83,43,751	50,64,373
Water and electricity	15,98,043	6,24,449
Staff recruitment and training	6,85,802	5,79,367
Insurance	31,46,042	16,66,610
Provision on loan portfolio (refer note 2.23)	202,00,500	126,29,877
Loan portfolio written off	7,43,739	50,03,510
Business promotion	62,35,814	2,30,414
Corporate social responsibility expenses(refer note 2.44)	20,50,000	-
Rates and taxes	4,02,555	3,40,040
Repairs and maintenance - others	9,31,959	5,22,845
Membership and subscription	7,30,908	9,79,099
Miscellaneous expenses	5,34,357	5,22,423
Provision for cash embezzlement- Fraud	3,99,416	-
	<u>1372,55,161</u>	<u>831,19,033</u>
2.20 Employee benefits expenses		
Salaries, wages and bonus	2249,86,839	1195,55,003
Contribution to provident fund and other funds	232,49,182	92,30,572
Staff welfare expenses	48,12,482	37,48,129
	<u>2530,48,503</u>	<u>1325,33,704</u>
2.21 Finance cost		
Interest expense	5945,99,485	3435,60,105
Other borrowing costs	770,81,968	312,65,779
	<u>6716,81,453</u>	<u>3748,25,884</u>



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S V Creditline Private Limited**Notes to the financial statements for the year ended 31 March 2016 (continued)**

(All amounts in Indian rupees, except share data and where otherwise stated)

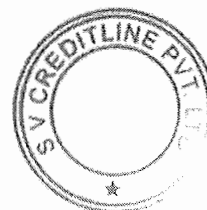
2.22 Securitisation/ Assignment of loan portfolio

During the year the Company has sold loans through securitization/assignment. The information on securitization/ assignment activity of the company as an originator is as shown below:

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Total number of loans securitized/assigned	115,849	145,198
Total book value of loans securitized/assigned	1,551,733,019	1,487,180,563
Sale consideration received for loans securitized/assigned	1,567,857,679	1,543,874,965
Premium received on securitization	16,124,660	56,694,402
Premium recognized in the Statement of Profit and Loss (net of loss on closure of securitization transactions)	24,056,229	55,260,523
Income recognized in Statement of Profit and Loss on securitisation/assignment transactions	31,507,201	3,489,116
MRR in respect of assignment transactions	11,648,336	15,284,770
MRR in respect of securitisation transactions	9,847,168	Nil

2.23 Provision for outstanding loan portfolio

Particulars	As at 31 March 2016	As at 31 March 2015
Standard Portfolio (A)	4,758,940,983	2,751,730,563
Non-performing assets		
Aggregate outstanding loan which are overdue for more than 90 days and less than 180 days	5,135,324	1,387,069
Aggregate outstanding loan which are overdue for 180 days or more	11,278,675	2,187,320
Total (B)	16,413,999	3,574,389
Total Loan Portfolio (A) + (B)	4,775,354,982	2,755,304,952
Provision on loan portfolio:		
1% on total loan portfolio (C)	47,753,550	27,553,050
Aggregate of the following		
a) 50% of the aggregate loan installments which are overdue for more than 90 days and less than 180 days	1,473,042	493,208
b) 100% of the aggregate loan installments which are overdue for 180 days or more	9,199,869	1,930,245
Total (D)	10,672,911	2,423,453
Higher of (C) or (D)	47,753,550	27,553,050
Opening provision	27,553,050	14,923,173
Additions/reversal (net)	20,200,500	12,629,877
Closing provision	47,753,550	27,553,050



S V Creditline Private Limited

Notes to the financial statements for the year ended 31 March 2016 (continued)

(All amounts in Indian rupees, except share data and where otherwise stated)

2.24 Deferred tax Asset (net)

Particulars	As at	As at
	31 March 2016	31 March 2015
<i>Deferred tax liability</i>		
On difference in written down value of block of fixed assets	(68,016)	-
<i>Deferred tax asset</i>		
On provision for gratuity	-	237,164
On difference in written down value of block of fixed assets	-	661,838
On provision for loan portfolio	16,526,549	4,292,895
On provision for cash embezzlement	138,230	-
On provision for lease equalization reserve	510,732	-
Deferred tax asset (net)	17,107,495	5,191,897

2.25 Earnings per share

Particulars	For the year ended	For the year ended
	31 March 2016	31 March 2015
Profit after tax	112,140,969	82,011,709
Less: Dividend on non-convertible preference shares and tax thereon	9,738,530	15,780
Net profit/ (loss) attributable to equity shareholders	102,402,439	81,995,929
Number of shares at the beginning of the year	38,846,064	36,623,842
Add: Equity shares issued during the year	4,000,000	2,222,222
Total number of equity shares outstanding during the year	42,846,064	38,846,064
Weighted average number of equity shares outstanding during the year – Basic	40,567,375	38,322,472
Add: Weighted average number of equity shares arising out of Share application money (considered to be issued at price of Rs. 20 per equity share of Rs. 10 each)	-	2,841
Weighted average number of equity shares outstanding during the year – Diluted	40,567,375	38,325,313
Earnings per share		
Basic – par value of Rs.10 each	2.52	2.14
Diluted – par value of Rs.10 each	2.52	2.14



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S V Creditline Private Limited**Notes to the financial statements for the year ended 31 March 2016 (continued)**

(All amounts in Indian rupees, except share data and where otherwise stated)

2.26 Employee benefit plans**(a) Defined benefit plans**

Gratuity: The Company makes annual contribution to a gratuity fund administered by trustees and managed by India First Life Insurance Company Limited. Every employee is entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service in line with the payment of Gratuity Act, 1972. The same is payable at the time of separation from the Company or retirement, whichever is earlier.

The following tables set out the status of the gratuity plan as required under AS 15 (Revised)

Movement in present value of defined benefit obligation

Particulars	As at 31 March 2016	As at 31 March 2015
Obligation as at the beginning of the year	4,030,468	1,986,563
Current service cost	2,662,639	1,411,602
Interest cost	314,377	180,777
Benefits paid	(268,125)	-
Actuarial (gain)/loss recognised during the year	369,367	451,526
Obligation as at the end of the year	7,108,726	4,030,468

Change in the fair value of plan assets

Particulars	As at 31 March 2016	As at 31 March 2015
Opening fair value of plan assets at the beginning of the year	3,332,724	-
Expected return on plan assets*	299,945	-
Contributions during the year	2,020,882	3,332,724
Benefits paid	(268,125)	-
Actuarial gain/ (loss) on plan assets	(185,573)	-
Fair value of plan assets as at year end	5,199,853	3,332,724

Expenses recognised in Statement of Profit and Loss

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Current service cost	2,662,639	1,411,602
Interest on obligation	314,377	180,777
Expected return on plan assets*	(299,945)	-
Net actuarial losses / (gains) recognized in the year	554,940	451,526
Net gratuity cost	3,232,011	2,043,905

* Return on plan assets has not been recognised in previous year in books of account as the same is not material since the funds have been invested on 27 March 2015.



S V Creditline Private Limited
Notes to the financial statements for the year ended 31 March 2016 (continued)

(All amounts in Indian rupees, except share data and where otherwise stated)

Amount recognised in balance sheet

Particulars	As at 31 March				
	2016	2015	2014	2013	2012
Present value of funded obligations	7,108,726	4,030,468	1,986,563	1,043,462	657,677
Fair value of plan assets	(5199853)	(3,332,724)	-	-	-
Surplus/(deficit) in the plan	(1,908,873)	(697,744)	(1,986,563)	(1,043,462)	(657,677)
Experience adjustments arising on plan liabilities – (loss)/ gain	(337,938)	(242,494)	(243,514)	129,986	147,938
Experience adjustments arising on plan assets- (loss)/ gain	(185,573)	-	-	-	-

Category of plan assets

Particulars	For the year ended				
	2016	2015	2014	2013	2012
Insured managed fund	100%	100%	-	-	-

Principal actuarial assumptions

Particulars	For the year ended				
	2016	2015	2014	2013	2012
Expected rate of salary increase	7.50%	7.50%	7.50%	7.50%	7.50%
Discount rate	7.70%	8.00%	8.00%	8.00%	8.60%

Expected return on plan assets in previous year is not given as the Company has invested in plan assets on 27 March 2015.

Discount rate: - The discount rate is based on the prevailing market yield of Indian Government securities as at the balance sheet date for the estimated term of obligations.

Salary escalation rate: - The estimate for the future salary increments considered taking into account the inflation, seniority, promotional and other relevant factor.

b) Defined contribution plans

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Amount recognised in Statement of Profit and Loss towards:		
- provident fund	15,199,082	7,039,736
- employee state insurance	4,818,087	2,190,836



S V Creditline Private Limited**Notes to the financial statements for the year ended 31 March 2016 (continued)**

(All amounts in Indian rupees, except share data and where otherwise stated)

2.27 Segment Reporting**a) Business Segment**

The Company operates in a single reportable segment, which has similar risk and returns for the purpose of AS 17 on 'Segment Reporting' specified under Section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules 2014.

b) Geographical segment

During the year under report, the Company has engaged in its business primarily within India. The conditions prevailing in India being uniform, no separate geographical disclosure is considered necessary.

2.28 Operating Leases

During the year, on account of straight lining of lease rent for the premises and on account of lease payments made under cancellable operating lease Rs. 25,096,651 (previous year Rs. 16,463,996) is disclosed as rent and the same have been recognized as an expense in the Statement of Profit and Loss.

2.29 Contingent liability:**a) Guarantees given on securitized portfolio:**

S.No	Name of the Company	31 March 2016		31 March 2015	
		Sale Consideration	Contingent Liability	Sale Consideration	Contingent Liability
1	IFMR Capital Finance Private Limited Mosec- Ariadne	-	-	112,254,217	11,871,627
2	IFMR Capital Finance Private Limited Mosec- Eucleia	-	-	45,614,084	3,011,581
3	IFMR Capital Finance Private Limited Mosec - Talos	-	-	97,595,847	7,187,660
4	IFMR Capital Finance Private Limited Mosec - Odin	-	-	108,247,122	5,928,594
5	IFMR Capital Finance Private Limited Mosec - Maiya	-	-	96,080,087	6,880,556
6	IFMR Capital Finance Private Limited Mosec - Muse	-	-	50,872,551	2,460,180
7	IFMR Capital Finance Private Limited Mosec - Aethon	-	-	223,643,163	11,275,553
8	IFMR Capital Finance Private Limited Mosec - Agon	-	-	104,944,778	5,514,488
9	IFMR Capital Finance Private Limited Mosec - Boreas	-	-	120,115,889	6,614,276
10	IFMR Capital Finance Private Limited Mosec - Aria	-	-	162,240,324	10,820,388
11	IFMR Capital Finance Private Limited Mosec - Arion	-	-	111,251,249	7,167,062
14	IFMR Capital Finance Private Limited Mosec- Amako	252,473,437	12,751,184	-	-
15	IFMR Capital Finance Private Limited Mosec - Arcturus	208,568,043	12,303,932	-	-
16	IFMR Capital Finance Private Limited Mosec - Summanus	426,349,514	21,752,526	-	-
	Total	887,390,994	46,807,642	1,232,859,311	78,731,965



S V Creditline Private Limited

Notes to the financial statements for the year ended 31 March 2016 (continued)

(All amounts in Indian rupees, except share data and where otherwise stated)

- b) The Company has entered into arrangement with the banks/non-banking finance company towards business correspondence services and accordingly has given performance security towards loans referred by the Company. Total performance security comprising cash collateral and corporate guarantee, given amounting to Rs. 362,125,669 (Previous year: Rs. 80,299,155) towards the loans given based on the company's reference and outstanding as at 31 March 2016 amounting to Rs. 4,433,136,287 (Previous year: Rs. 535,327,700).

2.30 Capital commitments

- Estimated amount of contracts (net of advances) to be executed on capital account and not provided for Rs. 16,664,600 (Previous year: Rs. 37,093,540)

2.31 Related party disclosure

I. List of related parties:

- 1) Entities exercising significant influence over the Company:
 - a. S V Corporation Private Limited
 - b. Vans Pte Limited - Singapore
- 2) Key Management Personnel
 - a. Rakesh Dubey – Chief Executive Officer
 - b. Durgeshwar Mishra – Chief Financial Officer
 - c. Sunil Malik– Company Secretary (from 12 October 2015)
 - d. Surinder Kumar Bhatia – Company Secretary (upto 13 March 2015)
 - e. Subhash Mittal – Company Secretary (from 17 March 2015 to 2 July 2015)
- 3) Enterprise described in clause 1 exercise control or being controlled by following: -
 - a. SAS Servizio Private Limited
 - b. SAS Infotech Private Limited
 - c. Vijay Parekh -Director
 - d. Sunil Sachdeva -Director



S V Creditline Private Limited

Notes to the financial statements for the year ended 31 March 2016 (continued)

(All amounts in Indian rupees, except share data and where otherwise stated)

II. Particulars of related party transactions

Name of the related party	Nature of transaction	For the year ended 31 March 2016	For the year ended 31 March 2015
S V Corporation Private Limited	Number of equity shares issued	2,000,000	1,111,111
S V Corporation Private Limited	Receipt of share application money, including premium	45,000,000	20,000,000
Vans Pte Limited	Number of equity shares issued	2,000,000	1,111,111
Vans Pte Limited	Receipt of share application money, including premium	45,000,000	20,000,000
Vans Pte Limited	Payable for excess application money received due to foreign exchange fluctuations	98,207	742,457
Sunil Sachdeva	Number of Cumulative Non-Convertible Redeemable Preference Shares issued	10,000,000	-
Sunil Sachdeva	Receipt of share application for Cumulative Non-Convertible Redeemable Preference Shares	100,000,000	-
SAS Infotech Private Limited	Maintenance charges	2,128,724	1,530,538
Rakesh Dubey	Salary, incentives & perquisites	5,295,776	4,720,315
Durgeshwar Mishra	Salary, incentives & perquisites	2,236,033	2,000,252
Surinder Kumar Bhatia	Salary, incentives & perquisites	-	1,046,906
Subhash Mittal	Salary, incentives & perquisites	192,234	-
Sunil Malik	Salary, incentives & perquisites	477,076	-
SAS Servizio Private Limited	Rent deposit paid	6,000,000	-

III. The Company has the following amounts receivable/(payable) from related parties

Name of the party	As at 31 March 2016	As at 31 March 2015
Vans Pte Limited		
Share Application money pending allotment	-	(20,742,457)
Payable for excess application money received due to foreign exchange fluctuations	(98,207)	
SAS Servizio Private Limited		
Rent deposit	-	(6,000,000)



2.32 Terms of the borrowings

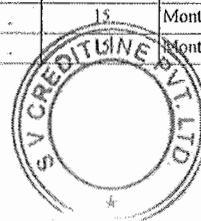
Following are the details of certain pertinent terms and conditions of the borrowings for the year ended 31 March 2016 and year ended 31 March 2015:

Redeemable non convertible debentures ("NCD")^a

Funder	Facility	Amount outstanding		Amount outstanding		Repayment terms		
		As at 31 March 2016		As at 31 March 2015		Installments	Periodicity	Start date
		Current maturity	Long term maturity	Current maturity	Long term maturity			
Hinduja Leyland Finance Limited	NCD-I	37,50,120	-	450,00,000	37,50,120	24	Monthly	15-May-14
Ratnakar Bank Limited	NCD-II	333,33,000	-	400,00,200	333,33,000	15	Bi-Monthly	28-Sep-14
Mahindra & Mahindra Financial Services Limited	NCD-III	187,50,000	-	375,00,000	187,50,000	24	Monthly	16-Oct-14
Hinduja Leyland Finance Limited	NCD-IV	466,66,760	-	641,66,760	525,00,000	24	Monthly	02-Jan-15
IFMR Fintech Investment Fund	NCD-VI	-	300,00,000	-	-	1	Bullet	18-Dec-20
Mahindra and Mahindra Financial Services Limited	NCD-VII	1000,00,000	416,66,800	-	-	24	Monthly	28-Sep-15
NCD-Blue Orchard (MIFA)	NCD-VIII	-	2600,00,000	-	-	1	Bullet	30-Nov-20
NCD-Blue Orchard (MEF)	NCD-IX	-	2600,00,000	-	-	1	Bullet	05-Jan-21
Total (A)		2024,99,880	5916,66,800	1866,66,960	1083,33,120			

Secured term loans from banks#

Punjab National Bank	TL-I	83,33,364	-	166,66,667	83,33,333	27	Monthly	31-Jul-14
	TL-II	200,00,004	233,33,318	-	-	30	Monthly	30-Nov-15
	TL-III	200,00,004	233,33,328	-	-	30	Monthly	30-Nov-15
Central Bank of India	TL-I	333,33,330	166,66,670	333,33,333	500,00,000	12	Quarterly	31-Dec-14
IDBI Bank Limited	TL-I	-	-	523,80,950	-	21	Monthly	01-Jun-14
	TL-II	1001,00,000	-	1000,00,000	1000,00,000	18	Monthly	01-Jul-15
	TL-III	1287,00,000	1713,00,000	-	-	21	Monthly	09-Jul-16
Union Bank of India	TL-I	66,66,670	-	400,00,000	66,66,667	30	Monthly	09-Dec-13
Indusind Bank	TL-I	-	-	260,86,957	-	23	Monthly	11-May-14
	TL-II	260,86,957	-	239,13,043	260,86,957	23	Monthly	27-May-15
	TL-III	521,73,913	130,43,363	-	-	23	Monthly	13-Aug-15
	TL-IV	1500,00,000	1500,00,000	-	-	8	Quarterly	10-May-16
Canara Bank	TL-I	166,66,669	-	400,00,000	166,66,667	30	Monthly	09-Apr-14
	TL-II	200,00,000	300,00,000	-	-	30	Monthly	02-Apr-16
Ratnakar Bank Limited	TL-I	-	-	214,28,571	-	7	Quarterly	11-May-14
	TL-II	-	-	500,00,000	-	8	Quarterly	20-Jun-14
	TL-III	249,99,987	-	500,00,000	250,00,000	8	Quarterly	25-Oct-14
	TL-IV	499,99,986	-	500,00,000	500,00,000	8	Quarterly	03-May-15
Axis Bank Limited	TL-I	-	-	214,28,571	-	7	Quarterly	23-Jun-14
	TL-II	285,71,429	-	571,42,857	285,71,429	7	Quarterly	26-Mar-15
	TL-III	857,14,286	-	642,85,714	857,14,286	7	Quarterly	13-Sep-15
	TL-IV	571,42,857	428,57,143	-	-	7	Quarterly	30-Apr-16
Bank of Maharashtra	TL-I	400,00,000	200,00,000	400,00,000	600,00,000	10	Quarterly	30-Apr-15
Vijaya Bank	TL-I	399,60,000	133,23,318	399,60,000	532,80,000	30	Monthly	16-Feb-15
Yes bank	TL-I	250,00,000	-	250,00,000	250,00,000	24	Monthly	30-Apr-15
	TL-II	250,00,000	-	250,00,000	250,00,000	24	Monthly	30-Apr-15
	TL-III	200,00,000	183,17,094	-	-	24	Monthly	04-Mar-16
State Bank of India	TL-I	800,00,004	599,99,993	533,33,336	1466,66,664	30	Monthly	31-Aug-15
	TL-II	280,00,000	1120,00,000	-	-	30	Monthly	31-Oct-16
State Bank of Patiala	TL-I	327,27,276	327,27,267	245,45,457	654,54,543	11	Quarterly	31-Aug-15
Oriental Bank of Commerce	TL-I	363,63,636	212,12,122	363,63,636	575,75,758	33	Monthly	28-Feb-15
	TL-II	436,36,344	727,27,292	-	-	33	Monthly	31-Mar-16
HDFC	TL-I	33,33,336	-	400,00,000	33,33,333	15	Monthly	28-Feb-15
	TL-II	33,33,333	-	400,00,000	33,33,333	15	Monthly	28-Feb-15
	TL-III	1200,00,000	100,00,000	-	-	15	Monthly	31-Jan-16
	TL-IV	768,00,000	192,00,000	-	-	15	Monthly	30-Apr-16



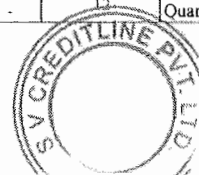
S V Creditline Private Limited

Notes to the financial statements for the year ended 31 March 2016 (continued)

(All amounts in Indian rupees, except share data and where otherwise stated)

2.32 Terms of the borrowings (continued)

Funder	Facility	Amount outstanding		Amount outstanding		Repayment terms		
		As at 31 March 2016		As at 31 March 2015		Installments	Periodicity	Start date
		Current maturity	Long term maturity	Current maturity	Long term maturity			
ICICI Bank	TL-I	229,16,671	-	249,99,996	229,16,671	24	Monthly	31-Mar-15
	TL-II	239,13,044	-	260,86,956	239,13,044	23	Monthly	30-Apr-15
	TL-III	500,00,000	416,66,667	-	-	24	Monthly	29-Feb-16
	TL-IV	339,99,996	340,00,004	-	-	24	Monthly	30-Apr-16
Bhartiya Mahila Bank	TL-I	200,00,000	50,00,000	150,00,000	250,00,000	8	Quarterly	01-Sep-15
Development Credit Bank Ltd.	TL-I	-	-	33,33,333	-	12	Monthly	31-May-14
	TL-II	-	-	250,00,000	-	12	Monthly	31-Oct-14
	TL-III	-	-	700,00,000	-	12	Monthly	30-Apr-15
	TL-IV	194,44,448	-	-	-	18	Monthly	31-Aug-15
	TL-V	194,44,448	-	-	-	18	Monthly	31-Aug-15
	TL-VI	244,44,450	155,55,556	-	-	18	Monthly	31-May-16
	TL-VII	183,33,339	116,66,667	-	-	18	Monthly	31-May-16
ING Vysya Bank	TL-I	-	-	170,00,000	-	12	Monthly	30-Jun-14
	TL-II	-	-	240,06,578	-	12	Monthly	31-Jan-15
Bandhan Bank	TL-I	428,57,145	571,42,857	-	-	7	Quarterly	29-Aug-16
Total - (B)		16779,96,926	10150,72,658	11762,95,955	9085,12,685			
Secured term loans from financial institution#								
Small Industrial Development Bank of India	TL-I	-	-	83,33,315	-	18	Monthly	10-Jan-14
	TL-II	-	-	150,00,000	-	6	Monthly	10-Sep-15
	TL-III	363,60,000	91,00,000	363,60,000	454,60,000	33	Monthly	10-Oct-14
	TL-IV	654,00,000	600,99,998	545,45,455	1254,54,545	33	Monthly	10-Jun-15
Total - (C)		1017,60,000	691,99,998	1142,38,770	1709,14,545			
Secured term loans from non banking financial companies#								
MAS Financial Services Limited	TL-I	-	-	237,50,004	59,37,493	24	Monthly	30-Jul-14
	TL-II	-	-	150,00,000	50,00,000	24	Monthly	30-Aug-14
	TL-III	-	-	112,50,000	46,87,500	24	Monthly	30-Sep-14
	TL-IV	-	-	500,00,004	249,99,994	24	Monthly	30-Oct-14
	TL-V	283,33,328	-	425,00,004	283,33,328	24	Monthly	30-Dec-14
	TL-VI	499,99,996	-	500,00,004	499,99,996	24	Monthly	30-Apr-15
	TL-VII	250,00,004	-	249,99,996	250,00,004	24	Monthly	20-Apr-15
	TL-VIII	249,99,996	20,83,341	-	-	24	Monthly	30-May-15
	TL-IX	250,00,000	62,50,000	-	-	24	Monthly	30-Jul-15
	TL-X	500,00,000	333,33,177	-	-	24	Monthly	10-Dec-15
	TL-XI	500,00,000	50000000	-	-	24	Monthly	30-Apr-16
IFMR Capital Financial Services Private Limited	TL-I	-	-	49,32,226	-	24	Monthly	27-Jan-14
	TL-II	-	-	49,93,146	-	24	Monthly	03-Mar-14
	TL-III	-	-	49,62,742	-	24	Monthly	10-Mar-14
	TL-IV	-	-	179,40,508	-	18	Monthly	01-May-14
	TL-V	-	-	425,21,574	-	18	Monthly	27-Jun-14
	TL-VI	-	-	184,82,834	-	18	Monthly	21-Jul-14
	TL-VII	-	-	79,10,360	-	18	Monthly	21-Jul-14
	TL-VIII	-	-	254,89,949	-	18	Monthly	29-Sep-14
	TL-IX	-	-	103,60,612	-	18	Monthly	27-Oct-14
	TL-X	61,21,842	-	337,37,431	61,21,842	18	Monthly	22-Dec-14
	TL-XI	84,60,111	-	229,91,743	84,60,117	18	Monthly	13-Feb-15
	TL-XII	524,25,261	96,52,909	-	-	24	Monthly	29-Jun-15
	TL-XIII	249,23,655	138,77,457	-	-	24	Monthly	30-Oct-15
	TL-XIV	486,48,633	366,13,152	-	-	24	Monthly	09-Dec-15
	TL-XV	641,24,093	358,75,905	-	-	18	Monthly	18-Apr-16
Madhuvya Development & Finance Private Limited	TL-I	-	-	41,63,000	-	12	Quarterly	12-Jul-12
	TL-II	83,33,000	-	333,32,000	83,33,000	12	Quarterly	21-Sep-13
	TL-III	500,00,000	375,00,000	500,00,000	875,00,000	12	Quarterly	24-Mar-15
	TL-IV	333,33,333	666,66,667	-	-	12	Quarterly	29-Apr-16



S V Creditline Private Limited

Notes to the financial statements for the year ended 31 March 2016 (continued)

(All amounts in Indian rupees, except share data and where otherwise stated)

2.32 Terms of the borrowings (continued)

Funder	Facility	Amount outstanding As at 31 March 2016		Amount outstanding As at 31 March 2015		Repayment terms		
		Current maturity	Long term maturity	Current maturity	Long term maturity	Installments	Periodicity	Start date
Annanya Finance For Inclusive Growth Private Limited	TL-I	72,91,659	-	125,00,004	72,91,661	24	Monthly	30-Nov-14
	TL-II	50,00,000	-	50,00,000	50,00,000	24	Monthly	30-Apr-15
Hero Fincorp Limited	TL-I	355,12,362	410,18,050	234,69,602	765,30,398	33	Monthly	08-Jul-15
	TL-II	117,66,221	382,33,765	-	-	33	Monthly	08-Jul-16
Essel Finance Business Loans Limited	TL-I	-	-	45,50,349	4,49,651	12	Monthly	10-May-15
Family Credit L&T Finance	TL I	249,99,996	125,00,006	-	-	24	Monthly	28-Oct-15
	TL II	285,71,424	142,85,720	-	-	21	Monthly	28-Jan-16
AU Finaciers	TL I	1000,00,000	166,66,667	-	-	18	Monthly	15-Dec-15
Micro Housing Finance Corporation	TL I	200,00,000	200,00,000	-	-	24	Monthly	30-Apr-16
Reliance Capital Limited	TL I	993,39,036	706,61,044	-	-	18	Monthly	01-May-16
	TL II	641,53,643	358,46,395	-	-	18	Monthly	10-Apr-16
	TL III	1121,86,906	-	-	-	12	Monthly	10-Aug-15
Total - (D)		10585,24,499	5410,64,255	5448,38,092	3436,44,984			
Vehicle Loan +								
HDFC Bank	Vehicle Loan	4,43,494	-	3,98,477	4,43,747	36	Monthly	07-Apr-14
Total (E)		4,43,494	-	3,98,477	4,43,747			
Total (A+B+C+D+E)		30412,24,800	22170,03,711	20224,38,254	15318,49,081			

Unsecured Term Loan ('TL') from financial institutions (Subordinate Debt)

Small Industrial Development Bank of India	Subordinate Debt	-	1000,00,000	-	1000,00,000	1	Bullet	10-Feb-21
Total		-	1000,00,000	-	1000,00,000			

Unsecured Term Loan ('TL') from financial institutions (Others)

IFMR Fimcap Investment Fund	NCD-V	-	1000,00,000	-	-	1	Bullet	18-Dec-20
Total		-	1000,00,000	-	-			

Short term borrowings :

Secured Term Loan ('TL') from Banks #								
Kotak Mahindra Bank Limited	TL-I	-	-	333,33,333	-	12	Monthly	19-Dec-14
Total		-	-	333,33,333	-			
Secured Term Loan ('TL') from Non banking financial companies #								
Reliance Capital Limited	TL-I	-	-	262,93,808	-	12	Monthly	01-Aug-14
Reliance Home Finance Limited	TL-I	-	-	1265,76,369	-	12	Monthly	01-Feb-15
Essel Finance Business Limited	TL-I	-	-	78,16,332	-	12	Monthly	10-Oct-14
Total		-	-	1606,86,509	-			



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S V Creditline Private Limited**Notes to the financial statements for the year ended 31 March 2016 (continued)**

(All amounts in Indian rupees, except share data and where otherwise stated)

2.32 Terms of the borrowing (continued):

*Redeemable non-convertible debentures have an exclusive first ranking charge by way of hypothecation over pool of loans.

All term loans are secured against exclusive charge on the standard assets portfolio receivables pertaining to micro credit loans and cash collateral as per the respective agreements.

+ Vehicle loan is secured by hypothecation of vehicle financed by the bank.

Interest rates on all the above Redeemable non-convertible debentures, term loan and vehicle loan are as follows:-

Rate of Interest	31 March 2016	31 March 2015
≥4%- ≤12%	443,494	15,842,224
≥12% - ≤ 15%	4,554,979,651	3,053,502,069
>15% - ≤ 18%	902,805,366	778,962,884
Total	5,458,228,511	3,848,307,177

2.33 Auditors remuneration included in legal and professional (excluding service tax) :

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Audit fees	1,450,000	1,200,000
Limited review	400,000	150,000
Certification	300,000	320,000
Out of pocket expenses	66,600	128,022
Total	2,216,600	1,798,022

2.34 Information on instances of fraud:

Nature of fraud	For the year ended 31 March 2016			For the year ended 31 March 2015		
	Amount of fraud	Recovery	Amount written off	Amount of fraud	Recovery	Amount written off
Misappropriation of cash by employees	538,241	138,825	-	265,546	230,196	-
Total	538,241	138,825	-	265,546	230,196	-

No material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year except instances of cash embezzlements stated above.



S V Creditline Private Limited**Notes to the financial statements for the year ended 31 March 2016 (continued)**

(All amounts in Indian rupees, except share data and where otherwise stated)

2.35 Share application money pending allotment

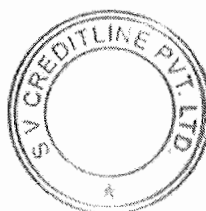
On 31 March 2015, the Company has received application money amounting to Rs. 20,742,457 for allotment of equity shares to Vans Pte Ltd. Subsequently, on 29 May 2015 the Company has allotted 1,000,000 equity shares at a premium of Rs. 10 each aggregating Rs. 20,000,000 and the balance amount of Rs. 742,457 was refunded during the previous year.

2.36 Amounts payable to Micro, Small and Medium enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that Micro and Small Enterprises should mention in their correspondence with their customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Based on information received and available with the company, there are no amounts required to be disclosed in relation to Micro and Small Enterprises as at 31 March 2016 and 31 March 2015.

2.37 Disclosures on securitization transactions

S. No	Particulars	Number / Amount in Rs.	
		31 March 2016	31 March 2015
1	Number of SPVs sponsored by the Company for securitisation	3	12
2	Total amount of securitised assets as per books of the SPVs sponsored by the Company	886,937,103	1,123,703,075
3	Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet		
	a) Off-balance sheet exposures		
	* First loss	-	-
	* Others	-	-
	b) On-balance sheet exposures		
	* First loss	46,807,642	95,101,211
	* Others	-	-
4	Amount of exposures to securitization transactions other than MRR		
	a) Off-balance sheet exposures	-	-
	i) Exposure to own securitizations		
	* First loss	-	-
	* loss	-	-
	ii) Exposure to third party 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	-	-



S V Creditline Private Limited

Notes to the financial statements for the year ended 31 March 2016 (continued)

(All amounts in Indian rupees, except share data and where otherwise stated)

2.38 Capital to Risk Asset ratio (CRAR):

S.No.	Particulars	2015-16	2014-15
1	CRAR%	17.17	16.33
2	CRAR -Tier I Capital %	11.43	12.76
3	CRAR-Tier II Capital %	5.74	3.57
4	Amount of subordinate debt raised as Tier II Capital	100,000,000	100,000,000
5	Amount raised by issue of Perpetual Debt Instruments	-	-

2.39 Exposure to Real Estate Sector, both direct and indirect are as follows:

Categories		As at 31 March 2016	As at 31 March 2015
A	Direct Exposure		
	i Residential Mortgages (Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented)	43,412	-
	ii Commercial Real Estate (Lending secured by mortgages on commercial real estate (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits)	-	-
	iii Investments in Mortgage Backed Securities (MBS) and other securitised exposures. a) Residential b) Commercial Real Estate	-	-
B	Indirect Exposure		
	(Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	-	-

2.40 Details of penalties imposed by RBI and other regulators

No penalties have been imposed by RBI and other regulators on the Company during the financial year ended 31 March 2016 and 31 March 2015.



S V Creditline Private Limited**Notes to the financial statements for the year ended 31 March 2016 (continued)**

(All amounts in Indian rupees, except share data and where otherwise stated)

2.41 a) As at 31 March 2016

Particulars	Amount	Treatment in the financial statements
Proceedings by Company against theft	538,241	An amount of Rs. 138,825 has been recovered and Rs. 399,416 is yet to be recovered. The total unrecovered amount is provided for in books of accounts.

b) As at 31 March 2015

Particulars	Amount	Treatment in the financial statements
Proceedings by Company against theft	265,546	An amount of Rs. 230,196 has been recovered and Rs. 35,350 is yet to be recovered. The total unrecovered amount is provided for in books of accounts in previous year.

2.42 Draw down from Reserves

There has been no draw down from reserves during the year ended 31 March 2016 and 31 March 2015.



S V Creditline Private Limited

Notes to the financial statements for the year ended 31 March 2016 (continued)

(All amounts in Indian rupees, except share data and where otherwise stated)

2.43 Maturity pattern of certain items of assets and liabilities

Maturity pattern of certain items of assets and liabilities as on 31 March 2016

Particulars	Upto 1 month	1 to 2 month	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
Liabilities									
Deposits	-	-	-	-	-	-	-	-	-
Borrowings from banks	128,207,649	146,826,291	134,359,076	453,803,838	815,243,567	1,015,072,658	-	-	2,693,513,079
Borrowings from Others	131,090,258	135,121,364	146,852,972	358,001,938	591,717,847	651,931,053	750,000,000	-	2,764,715,432
Assets									
Loans & Advances #	395,779,941	372,519,274	332,491,215	935,960,936	1,601,983,340	1,198,308,558	-	-	4,837,043,264
Investment	-	-	-	-	-	-	-	-	-

Maturity pattern of certain items of assets and liabilities as on 31 March 2015

Particulars	Upto 1 month	1 to 2 month	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
Liabilities									
Deposits	-	-	-	-	-	-	-	-	-
Borrowings from banks	87,408,923	83,792,359	97,711,407	331,996,993	608,613,030	908,956,432	-	-	2,118,479,144
Borrowings from others	72,746,326	84,431,824	105,383,722	277,792,921	466,580,591	622,892,649	-	100,000,000	1,729,828,033
Assets									
Loans & Advances#	242,922,772	224,503,659	239,473,190	698,026,446	927,662,218	440,462,436	-	-	2,773,050,721
Investment	-	-	-	-	-	-	-	-	-

#comprises trade receivables, interest accrued but not due and loan portfolio net off provisions on non-performing assets.



S V Creditline Private Limited**Notes to the financial statements for the year ended 31 March 2016 (continued)**

(All amounts in Indian rupees, except share data and where otherwise stated)

2.44 Corporate Social Responsibility (CSR)

Pursuant to Section 135 of the Companies Act, 2013 the company has incurred expenditure (paid) in respect of corporate social responsibility as follows:

- (a) Gross amount required to be spent by the company during the year: - Rs. 1,399,064 (Previous year: Rs. 618,503)
- (b) Amount Spent during the year on:

Particulars	In Cash	Yet to be paid in cash	Total
i) Construction/ Acquisition of Assets	-	-	-
ii) On purpose other than (i) above			
Prime Minister Relief Fund	1,700,000	-	1,700,000
Kinship for Humanitarian Social & Holistic Intervention	350,000	-	350,000
Total	2,050,000		2,050,000

2.45 Information on net interest margin

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Average Interest (a)	24.8%	25.3%
Average effective cost of borrowings (b)	15.5%	16.0%
Net Interest Margin (a)-(b)	9.3%	9.3%

2.46 Qualifying Asset

The Company has maintained the qualifying asset percentage as at 31 March 2016, as specified in the RBI Master Circular- Introduction of New Category of NBFCs - 'Non-Banking Financial Company-Micro Finance Institutions' (NBFC-MFIs) – Directions DNBR.(PD) CC.No. 047/03.10.119/2015-16 dated 1 July 2015



S V Creditline Private Limited

Notes to the financial statements for the year ended 31 March 2016 (continued)

(All amounts in Indian rupees, except share data and where otherwise stated)

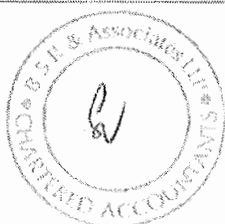
- 2.47 Schedule to the Balance Sheet of a Non-Banking Financial Company as required in terms of Paragraph 13 of Non-Banking Financial Companies (Non-deposit accepting or holding) Prudential Norms (Reserve Bank) Directions, 2007.

Particulars	As at 31 March 2016		As at 31 March 2015	
Liabilities side:				
1. Loans and advances availed by the NBFC inclusive of interest accrued thereon but not paid:	Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
(a) Debentures:				
Secured	794,166,680	-	295,000,080	-
Unsecured	100,000,000	-	-	-
(Other than falling within the meaning of public deposits)				
(b) Deferred credits	-	-	-	-
(c) Term loan	4,564,061,831	-	3,359,287,256	-
(d) Inter corporate loans and borrowings	-	-	-	-
(e) Commercial paper (net of un-amortised discount on issue)	-	-	-	-
(f) Other loans :				
Short Term Borrowings	-	-	194,019,842	-
Working capital demand loans from banks	-	-	-	-
Cash credit/overdraft from banks	-	-	-	-
Total	5,458,228,511	-	3,848,307,178	-

Assets side:	Amount outstanding	Amount outstanding
2 Break-up of loans and advances including bills receivables {other than those included in (4) below}:	As at 31 March 2016	As at 31 March 2015
(a) Secured #	213,412	-
(b) Unsecured #	4,836,829,852	2,773,050,721
Total	4,837,043,264	2,773,050,721

Comprises of trade receivables, loans (including interest accrued) which are disclosed net of provision for non-performing assets

3. Break-up of leased assets and stock on hire and hypothecation loans counting towards other assets counting towards AFC activities	As at 31 March 2016	As at 31 March 2015
i) Lease assets including lease rentals under sundry debtors:		
(a) Financial lease	-	-
(b) Operating lease	-	-
ii) Stock on hire including hire charges, under sundry debtors:		
(a) Assets on hire	-	-
(b) Repossessed stock	-	-
iii) Other Loans counting towards AFC activities:		
(a) Loans where assets have been repossessed	-	-
(b) Loans other than (a) above	-	-
Total	-	-



S V Creditline Private Limited

Notes to the financial statements for the year ended 31 March 2016 (continued)

(All amounts in Indian rupees, except share data and where otherwise stated)

4 Break-up of investments	Amount outstanding As at 31 March 2016	Amount outstanding As at 31 March 2015
Current investments:		
1 Quoted:		
(i) Shares:		
(a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government securities	-	-
(v) Others (please specify)	-	-
2 Unquoted:		
(i) Shares:		
(a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government securities	-	-
(v) Others (please specify)	-	-
Long term investments:		
1 Quoted:		
(i) Shares:		
(a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government securities	-	-
(v) Others (please specify)	-	-
2 Unquoted:		
(i) Shares:		
(a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government securities	-	-
(v) Others (please specify)	-	-



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S V Creditline Private Limited
Notes to the financial statements for the year ended 31 March 2016 (continued)

(All amounts in Indian rupees, except share data and where otherwise stated)

5 Borrower group wise classification of all assets financed as in (2) and (3) above :	Amount net of provisions #			Amount net of provisions #		
Category	As at 31 March 2016			As at 31 March 2015		
	Secured	Unsecured	Total	Secured	Unsecured	Total
1 Related Parties:						
(a) Subsidiaries	-	-	-	-	-	-
(b) Companies in the same group	-	-	-	-	-	-
(c) Other related parties	-	-	-	-	-	-
2 Other than related parties	213,412	4,836,829,852	4,837,043,264	-	2,773,050,721	2,773,050,721
Total	213,412	4,836,829,852	4,837,043,264	-	2,773,050,721	2,773,050,721

Comprises of trade receivables, loans (including interest accrued) which are disclosed net of provision for non-performing assets

6 Investor group wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):	As at 31 March 2016		As at 31 March 2015	
Category	Market value/ Break-up or Fair value or NAV	Book value (net of provisions)	Market Value/ Break-up or Fair Value or NAV	Book value (net of provisions)
1 Related Parties:				
(a) Subsidiaries	-	-	-	-
(b) Companies in the same group	-	-	-	-
(c) Other related parties	-	-	-	-
2 Other than related parties	-	-	-	-
Total	-	-	-	-

7 Other information	As at 31 March 2016	As at 31 March 2015
(i) Gross Non-Performing Assets		
(a) Related parties	-	-
(b) Other than related parties	16,413,999	3,574,389
(ii) Net Non-Performing Assets		
(a) Related parties	-	-
(b) Other than related parties	5,741,088	1,150,936
(iii) Assets acquired in satisfaction of debts (net of provisions)	-	-



S V Creditline Private Limited**Notes to the financial statements for the year ended 31 March 2016 (continued)**

(All amounts in Indian rupees, except share data and where otherwise stated)

2.48 Movement of NPA's

Particulars	As at	As at
	31 March 2016	31 March 2015
(i) Net NPAs to Net Advances (%)	0.12%	0.02%
(ii) Movement of NPAs (Gross)		
(a) Opening Balance	3,574,389	5,717,841
(b) Additions during the year	13,583,349	2,860,058
(c) Reductions during the year (including loans written off)	(743,739)	(5,003,510)
(d) Closing Balance	16,413,999	3,574,389
(iii) Movement of Net NPAs		
(a) Opening Balance	1,150,936	118,884
(b) Additions during the year	4,590,152	1,032,052
(c) Reductions during the year	-	-
(d) Closing Balance	5,741,088	1,150,936
(iv) Movement of provisions for NPA's		
(a) Opening Balance	2,423,453	5,598,957
(b) Provisions during the year	8,993,197	1,828,006
(c) Write off/write back of excess provisions	(743,739)	(5,003,510)
(d) Closing Balance	10,672,911	2,423,453

2.49 Sector wise Non-Performing Assets (NPA's)

S. No.	Sector	Percentage of NPAs to total advances in that sector	
		2015-16	2014-15
1.	Agriculture & allied activities#	0.34%	0.11%
2.	MSME#	0.35%	0.14%
3.	Corporate borrowers	-	-
4.	Services	-	-
5.	Unsecured personal loans	-	-
6.	Auto loans	-	-
7.	Other personal loans	-	-

#comprises of loans given in microfinance sector.

2.50 Details of Single Borrower Limit (SGL)/ Group Borrower Limit (GBL) exceeded by NBFC:

The Company has not exceeded the prudential exposure limits during the financial year ended 31 March 2016 and 31 March 2015.

2.51 Registration obtained from other financial sector regulators

Sr. No.	Regulator	Registration No.	Date of Registration
1.	Ministry of Corporate Affairs	U71290DL1996PTC081376	22 August 1996
2.	Reserve Bank of India	B.14.01603	15 December 2008



S V Creditline Private Limited**Notes to the financial statements for the year ended 31 March 2016 (continued)**

(All amounts in Indian rupees, except share data and where otherwise stated)

2.52 Unsecured Advances

The Company has not given any unsecured advances against intangible securities such as charge over the rights, licenses, authority, etc. during the financial year ended 31 March 2016 and 31 March 2015

2.53 Details of non performing financial assets purchased/ sold

The Company has not purchased/ sold any non - performing financial assets during the financial year ended 31 March 2016 and 31 March 2015.

2.54 Disclosures of frauds reported during the year ended 31 March 2016 vide DNBS. PD. CC No. 256/03.10.042/2011-12 dated 2 March 2012

Particulars	Less than Rs. 1 Lakh		Rs. 1 Lakh to Rs. 5 Lakh		More than Rs. 5 Lakh	
	No. of accounts	Value (Rs.)	No. of accounts	Value (Rs.)	No. of accounts	Value (Rs.)
A) Person involved						
Staff	9	192,725	2	345,516	-	-
Customers	-	-	-	-	-	-
Staff and Customers	-	-	-	-	-	-
Total	9	192,725	2	345,516	-	-
B) Type of Fraud						
Misappropriation and Criminal Breach of Trust	9	192,725	2	345,516	-	-
Fraudulent Encashment/ manipulation of books of accounts or through fictitious accounts and conversion of property.	-	-	-	-	-	-
Unauthorised credit facilities extended for reward or for illegal gratification	-	-	-	-	-	-
Negligence and cash shortages	-	-	-	-	-	-
Cheating and forgery	-	-	-	-	-	-
Irregularities in foreign exchange transactions	-	-	-	-	-	-
Any other type of fraud not coming under the specific heads as above	-	-	-	-	-	-
Total	9	192,725	2	345,516	-	-

2.55 Disclosure of customer complaints

Particulars	Number of complaints
(i) Number of complaints pending at the beginning of the year	65
(ii) Number of complaints received during the year	1,103
(iii) Number of complaints redressed during the year	1,001
(iv) Number of complaints pending at the end of the year	167



S V Creditline Private Limited
Notes to the financial statements for the year ended 31 March 2016 (continued)

(All amounts in Indian rupees, except share data and where otherwise stated)

2.56 Provisions and Contingencies (shown under the head expenditure in Statement of Profit & Loss)

Particulars	As at 31 March 2016	As at 31 March 2015
Provision made towards Income-tax (including deferred tax charge/(credit))	52,390,386	38,754,103
Provision towards loan portfolio	20,200,500	12,629,877
Provision for gratuity	3,232,013	697,744
Provision for cash embezzlement-fraud	399,416	-

2.57 Ratings assigned by credit rating agencies and migration of ratings during the year

Particulars	Instrument	Name of Rating Agency	Rated Amount (Rs. in Crores)	Rating Assigned 2015-16	Rating Assigned 2014-15
1. MFI Grading		CARE	NA	MFI 2	MFI 2
2. Long Term Bank Facilities/ Non- Convertible Debentures	Long term Borrowings	CARE	100.00	CARE BBB-	CARE BBB-
		ICRA	70.00	ICRA BBB- (stable)	ICRA BBB- (stable)
		India Ratings	50.00	IND BBB / stable	Not Applicable
			9.00	[ICRA] BBB+ (SO)	[ICRA] BBB+ (SO)
	Non- Convertible Debentures	ICRA	10.00	Conditional [ICRA] A- (SO)	Conditional [ICRA] A- (SO)
			7.50	[ICRA] A- (SO)	[ICRA] A- (SO)
			14.00	[ICRA] BBB+ (SO)	[ICRA] BBB+ (SO)
			10.00	[ICRA] BBB- (stable)	Not Applicable
			3.00	[ICRA] BBB- (stable)	Not Applicable
			20.00	[ICRA] A- (SO)	Not Applicable
			26.00	[ICRA] BBB- (stable)	Not Applicable
			26.00	[ICRA] BBB- (stable)	Not Applicable
3. Preference Shares	Preference shares	ICRA	7.00	[ICRA] A3	Not Applicable
		ICRA	5.00	[ICRA] A3	Not Applicable
4. Securitization	Mosec Arcturus	ICRA	53.00	Provisional [ICRA]A-(SO)	Not Applicable
		ICRA	4.34	Provisional [ICRA]BBB- (SO)	Not Applicable
		ICRA	4.68	Provisional [ICRA]B-(SO)	Not Applicable
	PTC Amako	CARE	23.46	CARE BBB (SO)	Not Applicable
			1.78	CARE BB- (SO)	Not Applicable
	PTC Summanus	CARE	36.98	CARE A- (SO)	Not Applicable
			2.61	CARE BBB (SO)	Not Applicable
			3.05	CARE BB (SO)	Not Applicable



S V Creditline Private Limited

Notes to the financial statements for the year ended 31 March 2016 (continued)

(All amounts in Indian rupees, except share data and where otherwise stated)

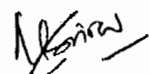
- 2.58** Till previous year, ancillary costs incurred in connection with the borrowings was amortized over the tenure of borrowing on straight line basis. In the current year, subsequent to discussion with the RBI /advice from the RBI, management has re-evaluated its policy for accounting for ancillary cost on borrowings. Accordingly, such ancillary cost on borrowings are charged off upfront in the Statement of Profit and Loss. Such change has also resulted into more appropriate presentation of the financial statements. Had the Company continued with the same policy, the borrowing cost would have been lower by Rs.32,883,509 and profit before tax would have been higher by the corresponding amount, with a consequential impact on reserves and surplus after tax adjustment.
- 2.59** Pursuant to the notification of Schedule II of the Companies Act, 2013 ("the Act"), by the Ministry of Corporate Affairs effective 01 April 2014, the management has internally reassessed and changed, wherever necessary the useful lives to compute depreciation, to conform to the requirements of the Act. Consequently, the carrying amount as at 01 April 2014 is being depreciated over the revised remaining useful life of the asset. The carrying value of tangible assets of Rs. 3,013,227 and intangible assets of Rs.663,253, in case of assets with nil revised remaining useful life as at 01 April 2014 is reduced from the surplus as at such date. Further, had the Company continued with the previously assessed useful lives, charge for depreciation for the year ended 31 March 2015 would have been lower by Rs. 1,408,953 and the profit before tax would have been higher by such amount.
- 2.60** The Company has a process whereby periodically all long term contracts are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision which are required under any law/accounting standards for material foreseeable losses on such long term contracts has been made in the books of accounts.
- 2.61** Previous year's figures have been regrouped/ reclassified, where necessary, to confirm to current year's classification.

for B S R & Associates LLP

Chartered Accountants

ICAI Firm Registration number:

116231 W/W-100024




Sriram Mahalingam

Partner

Membership No: 049642

For S V Creditline Private Limited



Sunil Sachdeva

Director

00012115



Rakesh Dubey

Chief Executive Officer



Sunil Malik


Company Secretary



Rakesh Arora

Director

DIN:00125976



Durgeshwar Mishra

Chief Financial Officer

Place: Hyderabad

Date: 30 May 2016

Place: Gurgaon

Date: 30 May 2016

