



RGVN (North East) Microfinance Limited



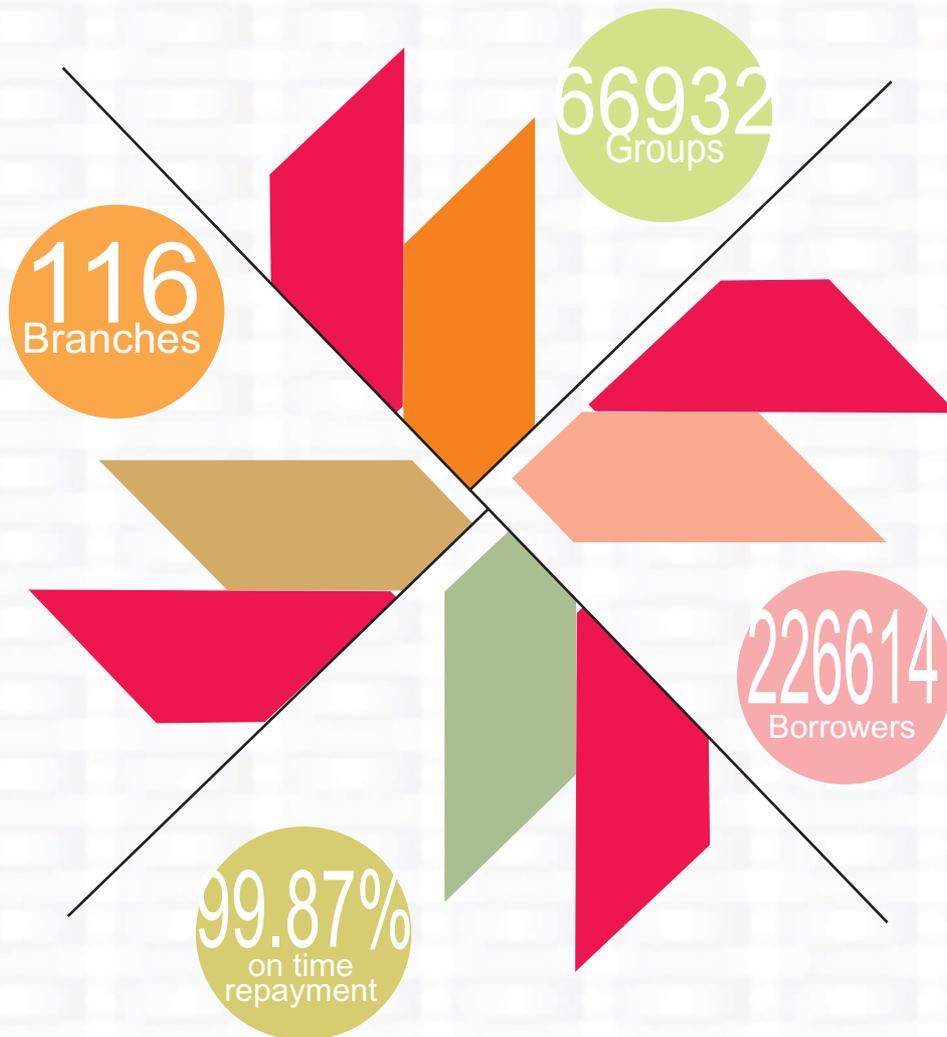
Annual Report

2014-15

Fueling Aspirations Boosting Growth

"This is not charity. This is business: business with a social objective, which is to help people get out of poverty."

—Muhammad Yunus



Vision

'Serving the entire North Eastern region and impacting 5 lakh clients by the year 2017 and facilitate better access to health, education and livelihood opportunities'.

Mission

'Provide financial and other support services to the underprivileged households in the Northeast to improve their quality of life'.



The key to ending extreme poverty is to enable the poorest of the poor to get their foot on the ladder of development . . . the poorest of the poor are stuck beneath it. They lack the minimum amount of capital necessary to get a foothold, and therefore need a boost up to the first rung.

—Jeffrey Sachs



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RGVN (North East) Microfinance Limited

Fueling Aspirations |
Boosting Growth

2014-15
Annual
Report

A tireless journey to achieve the aspiration



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RGVN (NE) MFL

An Almanac

1995

The Micro Credit Wing titled "Credit & Savings Programme" [RGVN-CSP] was initiated as a pilot project of RGVN-Society with fund assistance from SIDBI

2006

For the first time, the programme registered a profit of Rs. 3.35 lakh through a network of 22 branches and the loan outstanding stood at Rs. 615.21 lakh.

2008

RGVN (North East) Microfinance Limited [the Company transformed from RGVN-CSP] was established and registered as a Public Limited Company to carry out Microfinance activities in North East

2010

RGVN (North East) Microfinance Limited, upon receipt of Certificate of Registration from RBI, obtained the status of an NBFC and commenced operations as a microfinance provider and expanded its operation to other 5 states of North-East.

2011

With an outreach of 95 branches covering more than 1.70 lakhs clients, loan portfolio stood at Rs. 77 crore.

2012

With portfolio touching Rs. 102 crore covering 95 branches and serving more than 2 lakh clients, RGVN(NE)MFL upgraded as systematically important NBFC with more than Rs. 100 crore portfolio

2013

Covered five states of NE India catering to around 2.49 lakh clientele with Rs. 117 crore portfolio outstanding and good quality portfolio with PAR>30 days being a negligible 0.52%

2014

Despite fund constraints hampering the expansionary phase, the 2014 remained eventful with higher profits earned – portfolio outstanding was Rs. 124 crore and quality of portfolio was maintained at PAR>30 days being 0.50%. It got certificate of registration from RBI as NBFC MFI.

2015

Infusion of fresh equity by NMI Fund III KS, Norway, OikoCredit Ecumenical Development Co-operative Society UA, Netherlands, Dia Vikas Capital Pvt.Ltd. and conversion of OCPS by SIDBI had enabled a strong capital base for the Company.

Application to RBI for transition into a Small Finance Bank was yet another highlight during the fiscal.

Yet another milestone is that the Company touched [a] portfolio of Rs.229 crore and [b] active borrower base of 2 lakh.



THE CHAIRPERSON SPEAKS



I am pleased to present the RGVN (NE) MFL Annual Report for the fiscal 2014-15, which has been expanded to help our shareholders, stakeholders and potential investors for a better understanding of the activities of the organization and key factors that led to our success. This Annual Report includes sections to highlight RGVN (NE) MFL achievements and I hope you enjoy reading the new Annual Report.

RGVN (NE) MFL put up a solid performance in a challenging market in 2014-15 by achieving reasonable revenues, higher operating profits and achieving yet another milestone by covering more than 2 lakh clients with a Rs. 229 crore loan portfolio at the end of March 2015. All this has been accomplished during a year of mixed markets and continued economic uncertainty, demonstrating the company's underlying strength and ability to execute.

Summing up the key achievements during FY 2014-15, I would like to admit that the initial two quarters were sluggish in terms of inflow of funds. However, fresh equity investments from Norwegian Microfinance Initiative, Norway, OikoCredit, Netherlands, the Dia Vikas Capital, Gurgaon (India) and the conversion of OCPS by SIDBI in June 2014 has to a great extent enabled RGVN (NE) MFL to march forward despite, making a visible impact in its growth prospects. The Directors on the Board of RGVN (NE) MFL join me in thanking NMI, OikoCredit for firming up new relationship with the Company and Dia Vikas & SIDBI for strengthening their ties-ups with RGVN (NE) MFL.

Another major highlight of the year under review is the attempt of RGVN (NE) MFL to transform into a Small Finance Bank for which application has been submitted to RBI based on their guidelines.

Looking back to 2014-15, I would like to emphasize on the fact that, despite all hurdles including the economic growth and difficulties specific to the Northeast India as compared to the rest of the country, RGVN (NE) MFL is well-positioned to drive future growth. At the same time we also are humble enough to realize that there is still tremendous potential to improve and better our efforts in serving our customers across all the 8 Northeastern States.

In 2015-16, the key focus will be to set and implement the direction for the next phase of growth by venturing into one more new State, Tripura by opening three branches there and accelerating loan assistance & portfolio outstanding without compromising on the quality of portfolio. We have already started this process by conducting a rigorous navigation check on our position in the microfinance sector. We now have "heat maps" of customer sector and geographies ready, so we know where our growth opportunities are and how to bring more poor and needy under our umbrella.

I feel elated to work with the very strong team on the Board of RGVN (NE) MFL who has been instrumental in extending their expertise to take the organization further into a different league, y-o-y and thank each one of the Directors for their contributions.

I also sincerely thank the employees for their commitment, dedication and hard work and thank the shareholders for their trust and continuing support. Together, we are making RGVN (NE) MFL a stronger, more successful company and in doing so driving forward our vision of alleviating poverty through our credit and credit plus initiatives in the Northeastern part of India.

BRIJI MOHAN
CHAIRPERSON





BOARD OF DIRECTORS

RGVN (NORTH EAST) MICROFINANCE LTD.

Mr. Brij Mohan

Chairman of the Board

Profile

Former Executive Director of Small Industries Development Bank of India (SIDBI), Lucknow, Mr. Mohan has been closely involved in setting up of SIDBI Foundation for Micro Credit (SFMC) as an apex financing & development micro-finance entity in 1998. He took the lead in setting up the development department in Industrial Development Bank of India (IDBI) during 1980-1990 and worked as Manager and Officer on Special Duty in IDBI. Before joining IDBI, he was member of the Indian Statistical Service and held the position of Deputy Director in Planning Commission (1976-80) and Assistant Director in the Department of Statistics (1970-76). He did his Masters in Mathematics from Punjab University & Post Graduate Degree in Statistics from Indian Statistical Institute/Institute of Agricultural Research Statistics.



He is presently the Chairman of Ananya finance for Inclusive Growth Ltd, a wholesaler lender to microfinance institutions and Chairman of ACCESS Holding Ventures India Ltd, a knowledge platform. He is a Director on the Board of Micro Rating International Ltd. and MSME Foundation and was the founding Chairman of ACCESS Development Services as well as MicroSave India till recently. He is now the Mentor & Director on the Board of Sa-Dhan. Mr. Mohan is credited with building the microfinance movement in India in 1994. He is associated with RGVN (NE) MFL since July 2008.

Ms. Rupali Kalita

Managing Director

Profile

Ms. Kalita is a Rural Development Banker with 30 years of working experience in the banking sector of the Northeast India. While she is heading the Microfinance programme of RGVN, she has worked for 20 years with the Langpi Dehangi Regional (LDR) Rural Bank. She is credited for turning the loss making Diphu Branch of the LDR Bank into a profit making one within a record four years time by bringing down the NPA from 13 percent to 3 percent. Ms. Kalita joined the RGVN Society to head its Microfinance programme in 2004 and she has been instrumental in turning around the RGVN CSP operations by reducing its Portfolio at Risk (>60days) from 23 percent to 0.56 percent. She is also credited for the consistent growth and expansion of RGVN's outreach and it is under her leadership that enabled the transformation of the programme of the RGVN into an NBFC. She has also been working for empowerment of the under privileged women in rural and urban sector through financial intermediation by persistently encouraging them to build up their confidence and to emerge as successful entrepreneurs. She has been heading RGVN(NE)MFL since its inception.



Mr. Deep Chandra Joshi

Independent Director

Profile

A Ramon Magsaysay Awardee and Padmashree Mr. Deep Chandra Joshi is an independent development consultant, a part-time CEO of a Charitable Trust and co-founder of national level NGO PRADAN. With his extensive experience of SHGs, particularly for his expertise on SHG-Bank Linkage Programme, Mr Joshi has been working for PRADAN as Executive Director, Director of HR and Director of Finance for over two decades till his retirement in 2007. The varied working experience of Mr Joshi includes that of working as a Programme Officer in the Ford Foundation in Delhi, as a Senior Systems Analyst in Systems Research Institute in Pune and as Lecturer of Mechanical Engineering at MNNIT Allahabad. An alumnus of the MNNIT Allahabad, the School of Engineering at MIT and the Sloan School of Management, Mr. Joshi is also the Chairman of the Institute of Rural Management Anand, the National Foundation for India and the Rajiv Gandhi National Institute for Youth Development, and serves on the boards of IIM Kashipur and has been associated with several development NGOs.





He is one of the Promoter Directors of Bhartiya Samruddhi Investments and Consulting Services Limited (BASICS) and served as a Director of Microfinance NBFCs and as Chairman of a Local Area Bank. Mr. Joshi has had over 30 years' experience of rural development, especially rural livelihood promotion. He has conducted extensive field work in the course of reviewing development projects (NERCORMP and MLIPH) financed by the International Fund for Agriculture Development (IFAD) in Assam, Meghalaya and Manipur on a yearly basis since 2011 and conducted extensive fieldwork in the course of designing a Rural Livelihoods Project for Meghalaya, financed by IFAD. He is associated with RGVN (NE) MFL since January 2011.

Mr. N. Srinivasan

Independent Director

Profile

Mr. Srinivasan has 36 years of experience in banking, development finance, livelihoods and rural development. He was part of NABARD – the apex rural development Bank in India in 2007 for a career spanning for about 30 years. He has been credited for some of the significant initiatives in NABARD relating to institutional development, rural credit planning and development projects. An expert adviser and international consultant for different organizations including World Bank, ADB, AFDB, CGAP, IFAD, GIZ, KFW, Gates Foundation, Micro Save, etc, Mr. Srinivasan provides consulting services on a range of development finance and livelihoods initiatives in India and abroad. He had authored the well-known publication on microfinance – “State of the Sector Report on Microfinance” in India for four years from 2008-2011, which was used extensively by GoI and Reserve Bank of India (Malegam Committee). He has also Authored “The India Diagnostic Report on Customer Protection in Branchless Banking in India” – for CGAP (World Bank). He has jointly authored books and contributed to edited volumes in development finance and development economics. He is a Board Director of “Microfinance Transparency”, Director on the board of companies and trusts that focus on rural finance and development themes. He also serves on several industry forums on the themes of financial inclusion, microfinance and responsible finance. He is Involved in rural development and financial inclusion projects of IFAD and World Bank in Meghalaya and is the Chairman of the North Eastern Financial Inclusion Trust.



Mr. Amiya Kumar Sharma

Nominee Director (RGVN)

Profile

An alumnus of Delhi School of Economics, Dr. Amiya K Sharma is presently the Executive Director of Rashtriya Gramin Vikas Nidhi (RGVN) Society, Guwahati. A Ph.D. in Economics from the Rutgers University, Dr. Sharma has taught in Universities like the Tezpur Central University, Rutgers University, University of Delhi and served in the Indian Statistical Institute, New Delhi. Dr. Sharma is actively involved in various activities related to the voluntary sector and has assisted in development of many NGOs in the region. He was formerly the Co-Chairman of Sa-Dhan (the Association of Community Development Finance Institutions). He has been associated with RGVN (NE) MFL since September 2008



Mr. Saneesh Singh

Nominee Director (DiaVikas)

Profile

A British Chevening Scholar of Banking and Finance from London School of Economics, Mr. Singh has 24 years of experience in the field of Development Banking, Promotion and Financing of MSMEs, Microfinance, Financial Structuring and Investment Banking, he is the CEO in Dia Vikas Capital Pvt. Ltd., a subsidiary of Opportunity International Australia and one of the leading social investors in India. He has also worked for 16 years in various senior managerial capacities in SIDBI and was part of the core team that initiated SIDBI's micro finance project, christened as SIDBI Foundation for Micro Credit (SFMC). Mr. Singh holds a PGD in Information Management and Systems Administration; a Master Degree in Social Work. He is also an associate of the Indian Institute of Bankers and is also an alumnus of Indian School of Business. He has been associated with RGVN(NE)MFL since February 2012.





Mr. Ugen Tashi

Nominee Director (IDBI)

Profile

Presently General Manager, IDBI Bank, Mr. Tashi is heading the Retail Banking Group for NER-I. Mr. Tashi has been working for the IDBI for the last 17 years with exposure in different areas including Retail Banking, Priority Sector Lending, Corporate Finance, Venture Capital, International Banking etc. He was on the board of NEDFi and SIDBI previously. Mr. Tashi joined the RGVN(NE)MFL in March 2015.



Mr. Srijib Kumar Baruah

Nominee Director (NEDFi)

Profile

Mr. Baruah is presently the General Manager & Company Secretary of North Eastern Development Finance Corporation Ltd. He has been nominated by NEDFi as Director from July 2011. He looks after Corporate Affairs, Human Resource, Administration and Finance at NEDFi. He is a qualified Company Secretary and represents NEDFi in most of the NBFC-MFIs operating in North East Region. He has been associated with RGVN (NE) MFL since July 2011.



Mr. Njord Andrewes

Nominee Director (NMI)

Profile

Mr. Andrewes has worked for the past five years at NMI AS. NMI AS is an Asset Management firm that seeks to balance financial and social returns through investments in financial institutions serving the underprivileged. As an Investment Director, he has the overall responsibility for developing and managing the funds, the funds' investments, including implementing the investment strategy. An MBA in Finance from Kelley School of Business at Indiana University and a BA in Economics from Hope College, Mr. Andrewes is currently responsible for NMI Global Fund and NMI Fund III, which invests in financial institutions in Asia, Africa, and Latin America. His duties include (i) Sourcing and identifying investment opportunities and performing due diligence and deal analysis (ii) Closing investments including deal negotiation and execution of investment contracts and other legal agreements (iii) Liquidity management and capital planning and (iv) Responsibility for governance issues, including Board and Committee representation etc.



Mr. Pradip Kumar Saha

Nominee Director (SIDBI)

Profile

A Former Chief General Manager of the Small Industries Development Bank of India (SIDBI), Mr. Saha, is a Senior Development Banker with more than 36 years of experience in the field. He started his banking career with IDBI and has been with SIDBI since its inception. During his long career in IDBI & SIDBI, he has handled various departments in different capacities and even headed some of the key departments.

Mr. Saha represented SIDBI in various industry forums and meetings and was instrumental in designing and implementation of the CDR package for MFIs. He has driven the agenda of responsible finance from SIDBI through third party assessments of Code of Conduct and harmonising lender initiatives towards MFIs. Mr. Saha, who headed the SIDBI Foundation for Micro Credit before his retirement, also discharged diverse responsibilities, particularly in the areas of Project Finance, Human Resource Management, Microfinance, Industrial Credit, etc. He is associated with RGVN (NE) MFL since October 2013.





Senior Management team

RGVN (NORTH EAST) MICROFINANCE LTD.

Mr. Prem Kiran Varikuty

Vice President

Profile

Mr Varikuty is a finance professional with 8 years of experience in corporate finance, investment banking and financial services. Has been CFO for large companies in media, Engineering and Financial Services. Instrumental in process re-engineering to improve efficiency. He has been associated with Sumedha Venture Advisors heading their Interim CFO Services for companies in different industries like Education, Engineering, Media, infra and IT. He streamlined internal procedures for a Multi-National IT Company and developed Financial models & Investment Memorandum for IBA mandates of companies in digital media, agri, Financial Services.

Mr. Gunajit Bayan

Associate Vice President

Profile

Mr Bayan has been associated 21 years since the inception of MFI Programmethe organization. He is responsible for overall operations of the organization. Implementation of Strategic Business in line with organizations vision. He has attended trainings from Micro Save on Process Map and Risk Management by M2i. He is member of Risk Management Committee and ALCO Committee. He is an honorary Chairman of Socio Economic Development Center an NGO from Barpeta which works in the area of community development for Assam Jewelry artists. He has extensive experience in working in the North East region and understands the peculiarities of running operations in the region.

Mr. Shiva Prasad Phukan

Internal Audit Head and Human Resources

Profile

Mr Phukan has worked for 36 years in various departments of SBI including Inspection & Audit and held various positions like Chief Manger, Loans, SMECC, Credit Officer at Zonal Office and auditor for LDR Rural Bank & RRBs. He has vast experience in Branch Inspection & Audit at SBI Corporate Centre, Hyderabad for more than 5 years. He visited branches in Andhra Pradesh, Karnataka, Kerala, Gujarat, Maharastra and West Bengal. He has in depth understanding of microfinance clients during field visit as Internal Auditor at RGVN. He also gained experience in HR management in the course of interaction with the cross section of employees.

Mr. Deepak Kanti Purkayastha

Manager, Internal Audit

Profile

Mr Purkayastha has an extensive work experience in State Bank of India for a period of 36 Years working in as an Internal Audit. He has been auditing branches of State Bank of India across North East Region. His main areas of audit in the Bank were Loans & Advances, NPA Management. He has been associated with RGVN since 2010 as an Internal Audit Head. He has been part of "Audit Manual Drafting Committee" for Preparation of Audit Manual for RGVN (NE) MFL.

Mr. Tarun Sarma

Head, Training

Profile

Mr Sarma has extensive experience of 34 years in various roles in SBI including Chief Manager-HR, General Banking and various key roles. He heads Training Department at RGVN to provide staff training in liaison with external training provider. His core responsibilities are organizing training for staff as well for clients, preparation of training module, training need assessment, imparting training etc.As Rural Development Officer in State Bank of India, he has prepared guide books for financing small tea growers, Ramie cultivation, Mushroom cultivation, Rubber cultivation and scale of finance for many AgriCrops.

Mr. Manoj Bhattarjee

Head, Administration

Profile

Mr Bhattarjee has 30 years' experience in various capacities in State Bank of India, including Lead District Manager, Mokokchung, Wokha and Mon Districts of Nagaland, and Branch Manager of three branches. Besides, he had been an Internal Auditor of SBI for 5 years in the Circle Audit Department at Local Head Office, Guwahati, covering whole NE Region. He has extensive grass root knowledge about North East region while working in various branches of SBI network in the region.



Mr. Devashish Bhattacharya

Senior Accounts & Finance Officer

Profile

Mr Bhattacharya is an MBA Graduate in Finance with 8 years of experience in Accounting and finance. He primarily looks after accounts department with a team of 3 sub-ordinates. He is responsible for smooth running of accounts. He also looks after preparation of loan proposals to banks and financial institutions. Accounts payable, tax payable and inter branch remittances are his main area of concern. He has been exposed to different areas like Liaison with Banks, Fund flow Management and Budgeting in his previous assignments.

Mr. Amarendra Deka

Zonal Manager, Tezpur Zone

Profile

Mr Deka has 18 years of on ground operational experience with RGVN (NE) MFL with grass root exposure to Lower Assam, North Assam and Arunachal Pradesh regions. He is responsible for performance of his Zone with 3 Area Offices and 20 Branches with 40,000 clients. He is instrumental in team management. His responsibilities include providing guidance, training to Area Managers, Branch Managers and motivating them in performing their duties, preparation of business plan and supervision and follow up of execution of operational targets as per business plan, monitoring and scrutiny of periodical reports of branches and area offices and acting as a coordinator of branch offices and area offices with functional departments of the head office

Mr. Trailokya Goswami

Zonal Manager, Guwahati Zone

Profile

Mr Goswami has an experience of 10 years in microfinance operations. He has worked for Ujjivan Financial Services for 4 years as Program Manager in North East Region. He has attended various trainings including "Risk Management of MFIs" from IFC, Training Program on Client Protection Principles by Smart Campaign & Oiko Credit. He is in charge of Guwahati Zone handling INR 37 crores loan portfolio with 42,000 loan accounts across 17 Branches as on Dec-14.

Mr. Pranjal Pratim Goswami

Zonal Manager, Bongaigaon Zone

Profile

Mr Goswami has wide experience in retail operations from Reliance Telecom and ICICI Bank. He has been with RGVN (NE) MFL as a Zonal Manager since March 2013, looking after Bongaigaon Zone. He was instrumental in expanding branches in Sikkim State by setting up and supporting the operational team in the State. He has attended various training including Social Performance Management organised by EDA Rural. He also handles additional role as SPM Champion looking after Social Performance Management Chapter of the organisation. His contribution to the organisation has been noteworthy.

Mr. Parash Borthakur

Zonal Manager, Sivsagar Zone

Profile

Mr Borthakur has over 14 years of experience in Customer relation with across various industries. He is heading Sivsagar Zone since Mar-2014. He has been instrumental in maintaining Portfolio quality for the branches in the Nagaland-Assam border areas. His present role demands over all control of the branches under his Zone. He has worked in various parts of North East including Nagaland, Arunachal, lower and upper parts of Assam.

Mr. Dipenjoy Deb

Zonal Manager, Baihata Zone

Profile

Mr Deb is a seasoned professional with nearly 13 years of experience in successfully achieving revenue, profit and business growth objectives within start-up, turnaround and rapid change environments. He is Managing three Areas with 21 Branches. Prior to RGVN (NE) MFL, he was with HDFC Standard Life Insurance and Star Union Dai-Ichi Life Insurance as a Corporate Sales Manager where he has achieved the highest target of his team. He is a strong leader with core skills in Motivation, Business Planning, Strategic Planning and Team Management.



DIRECTORS' REPORT

Directors of RGVN (NE) MFL take pleasure in presenting the 7th Annual Report on performance of the Company together with audited statement of accounts for the financial year ended 31st March, 2015.

1. FINANCIAL RESULTS

	<i>Rs.</i>	
Particulars	FY 2014-15	FY 2013-14
Operating income	425,417,387	332,297,164
Other income	5,495,964	2,597,809
Total income	430,913,351	334,894,973
Less: Personnel expenses	92,807,842	86,252,941
Operating and other expenses	50,759,088	23,966,632
Finance charges	160,384,164	150,121,197
Depreciation	4,421,509	2,384,536
Provisions	14,094,782	1,831,505
Total expenditure	322,467,384	264,556,811
Profit/(loss) before tax	108,445,967	70,338,162
Less: Current tax	41,520,444	23,198,130
Less: deferred tax	(8,853,538)	(439,900)
Less : Income Tax of earlier years	2,241,135	519,862
Profit/(loss) after tax	73,537,926	47,060,070

2. OPERATIONS

During the year, the company has made a disbursement of Rs.308 Crores to its customers and the summarized operational highlights for the financial year ended March 31, 2015 include:

- There are 116 branches as on March 31st 2015. Company has merged 6 branches and opened 15 new branches during the year.
- The Company is operating in 31 districts spread across five states in the North East India.
- The Company has raised Rs.41.8 Crore of fresh equity from Dia Vikas Capital, Norway Microfinance Initiative (NMI) and Oiko Credit Ecumenical Development Cooperative Society
- The Company has borrowed Rs.147.95 Crore from 10 Institutions including Nationalized Banks, Private Banks, Domestic Financial Institutions and NBFCs.
- The customer base of the company is 226,614, all women clients.
- The loan outstanding as on March 31, 2015 is Rs.229.10 Crore.
- During the year, the company has disbursed loans amounting to Rs.308 Crore.

The Company has had a profitable year of operations and returned a post tax profit of Rs.7.35 Crore. It has transferred an amount of Rs.1.47 Crore to statutory reserve fund in accordance with the provisions of Section 45- IC of The Reserve Bank of India Act 1934.



3. DIVIDEND

Considering the growth and operations of the company, the board has not recommended any dividend for the year.

4. FUTURE BUSINESS PROSPECTS

The Company is planning to further penetrate in the North Eastern States in coming years. The company with its improved Capital base, plans to reach more customers by opening more branches and expanding its foot prints to the state of Tripura in the next fiscal.

The company has also applied for the Small Finance Bank license to Reserve Bank of India on 2nd Feb 2015 as per the guidelines issued by the Apex Bank on November 27, 2014. The company is strengthening its systems and processes to be equipped to become a Small Finance Bank.

5. DIRECTORS

The directors of the company as on 31st March 2015 as furnished in the table below

Sl. No.	Name	Designation	Date of Appointment
1	Shri Brij Mohan	Chair Person	18.07.2008
2	Shri Deep Joshi	Independent Director	01.01.2011
3	Shri N. Srinivasan	Independent Director	16.05.2014
4	Shri Saneesh Singh	Nominee Director (Dia Vikas Capital Pvt.Ltd)	23.02.2012
5	Shri S.K. Baruah	Nominee Director (NEDFi)	28.07.2011
6	Dr. Amiya Kumar Sharma	Nominee Director RGVN(Society)	05.09.2008
7	Mr. Ugen Tashi	Nominee Director (IDBI Bank)	20.03.2015
8	Mr.Pradeep Kumar Saha	Nominee Director (SIDBI)	21.10.2013
9	Mr. Njord Andrews	Nominee Director (Norwegian Microfinance Initiative-Norway)	15.07.2014
10	Ms. Rupali Kalita	Managing Director	18.07.2008



6. DIRECTOR'S RESPONSIBILITY STATEMENT

As required under section 134 of the Companies Act, the directors hereby confirm that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;*
- the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as the end of the financial year and of the profit or loss of the company for that period ;*
- the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.*
- the directors have prepared the annual accounts on a going concern basis.*
- The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.*

7. AUDIT OBSERVATIONS :

The comments made by M/s D. Patwary & Company, Chartered Accountants Auditors in their reports are self explanatory in nature and as such, no comments are necessary.

8. AUDITORS

M/s D. Patwary & Company, Chartered Accountants, were appointed as the Statutory Auditor by the members in the last Annual General Meeting . There terms expires at this Annual General Meeting . They have expressed their eligibility for reappointment .The Board recommends their reappointment.

9. RBI REGULATION

As per Non- Banking Finance Companies RBI Directions, the directors hereby reports that the Company is registered with Reserve Bank of India (RBI), as a non-deposit accepting NBFC ("NBFC-ND") under Section 45-IA of the RBI Act, 1934. As per Non-Banking Finance Companies RBI Directions, 1998, the Directors hereby report that the Company did not accept any public deposits during the year and did not have any public deposits outstanding at the end of the year.



10. CORPORATE GOVERNANCE AND SHAREHOLDERS' INFORMATION :

• Company's philosophy

The key anchor of our growth philosophy continues to be financial inclusion. The Company seeks to serve the unbanked and under-banked sections in the north-east region through a robust financing model focused on enabling livelihoods through credit and credit plus services.

• Board of Directors

- a) Composition and category of directors (Numbers of Executive, Non Executive and Independent Board Directors)

The Board composition	: 10 Directors
Independent Directors	: 3
Nominee Directors	: 6
Managing Director	: 1

b) Particulars of directorship in other Companies

Sl. No.	Name	Designation	Director Ship in other companies
1	Shri Brij Mohan	Chair Person	1. Micro Rating International Ltd 2. Manaveeya Development & Finance Pvt Ltd 3. Ananya Finance for Inclusive Growth Pvt Ltd 4. Access Holding Ventures India Ltd
2	Shri Deep Joshi	Independent Director	1. Bharatiya Samrudhi Investment & Consulting Services 2. ACCESS Development Services 3. ECO Tassar Silk Pvt.Ltd 4. Safal Solutions Pvt. Ltd
3	Shri N. Srinivasan	Independent Director	1. Vasundhara Agri-Horti Producer Company Ltd 2. Equitas Holding Pvt Ltd 3. Equitas Microfinance Pvt Ltd 4. Access Holding Ventures India Ltd 5. Samunnati Intermediation and Services Pvt Ltd
4	Shri Saneesh Singh	Nominee Director (Dia Vikas Capital Pvt.Ltd)	1. Margdarshak Development Services 2. Adhikar Microfinance Ltd 3. Margdarshak Financial Services Pvt ltd 4. Shikar Microfinance Ltd 5. Cashpor Microcredit 6. My India Capital & Investment Pvt ltd
5	Shri S.K. Baruah	Nominee Director (NEDFi)	1. Grameen Development & Finance Pvt Ltd
6	Dr. Amiya Kumar Sharma	Nominee Director RGVN(Society)	No companies
7	Mr. Ugen Tashi	Nominee Director (IDBI Bank)	No companies



Sl. No.	Name	Designation	Director Ship in other companies
8	Mr. Pradeep Kumar Saha	Nominee Director (SIDBI)	1. Share Microfinance Ltd 2. Bandhan Financial Services Ltd 3. Annapurna Microfinance Pvt Ltd 4. WEBOON Consulting (India) Ltd
9	Mr. Njord Andrews	Nominee Director (NMI)	1. Fusion Microfinance Pvt Ltd
10	Ms. Rupali Kalita	Managing Director	No companies

Attendance of each Director at Board Meeting and the last AGM during the year.

Sl.No.	Name	Total meetings held	Meetings attended
GOVERNING BOARD MEETINGS			
1	Mr. Brij Mohan	8	7
2	Mr. Deep Joshi	8	4
3	Mr. N. Srinivasan	8	4
4	Mr. Saneesh Singh	8	8
5	Mr. P.K. Saha	8	8
6	Mr. S.K. Baruah	8	8
7	Mr. Njord Andrews	6	5
8	Mr. Rajesh Malhotra	8	1
9	Mr. Ugen Tashi	1	1
10	Dr. Amiya Kr. Sharma	8	5
11	Ms. Rupali Kalita	8	8

Number of Board Meetings held and dates on which held.

No. of Board meeting	Date	Place
30 th	16.05.2014	Regd. Office-RGVN-MFL, Guwahati
31 st	25.06.2014	Regd. Office-RGVN-MFL, Guwahati
32 ND	15.07.2014	Regd. Office-RGVN-MFL, Guwahati
33 rd	25.09.2014	Regd. Office-RGVN-MFL, Guwahati
34 th	27.10.2014	Gangtok, Sikkim
35 th	22.12.2014	NEDFi House, Guwahati
36 th	19.01.2015	NEDFi House, Guwahati
37 th	20.03.2015	Regd. Office-RGVN-MFL, Guwahati



c) Brief profile of the Directors seeking appointment/re-appointments at this AGM.

Mr. Njord Andrewes was appointed as Nominee Director of NMI Fund III KS, Norway on 15.07.2014. His term expires at this Annual General Meeting. The Board recommends his appointment.

Mr. Ugen Tashi was appointed as the Nominee Director of IDBI on 20th March 2015. His term expires at this Annual General Meeting. The Board recommends his appointment too.

Pursuant to the provisions of Section 152 of the Companies Act 2013 Mr. Deep Chandra Joshi (director) retires by rotation at this Annual General meeting and being eligible offers himself for reappointment. The Board recommends the reappointment in the best interest of the Company.

- **Other Disclosures**

- **Resources and Liquidity**

The Company, being a Systemically Important Non-deposit Accepting NBFC, is subject to the capital adequacy requirements prescribed by the RBI. The Company needs to maintain a minimum ratio of 15% as prescribed under the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 (as amended from time to time) based on total capital to risk weighted assets. The Company maintained a Capital to Risk Asset Ratio (CRAR) of 38.56% and 28.81% respectively, as on March 31, 2015 and as on March 31, 2014, which is higher than the statutory 15% requirement for the FY 2014-15.

During the year, the Company has received ratings for various instruments to raise funds and a summary of the ratings is presented in the following table

- **Increase in Share Capital**

During the year under review, 1,96,41,270 equity shares were issued as part of the IPO and 10,00,000 equity shares were issued under ESOP.

Thus, the issued, subscribed and paid-up equity share capital increased from 18,01,10,320 to 38,65,23,020 as on March 31, 2015.

- **Credit Bureau for MFIs**

In order to address the issue of multiple lending or over indebtedness, various microfinance institutions/ NBFCs have come together to invest in a Credit Information Bureau, Equifax & High Mark. While data sharing is done monthly to both Equifax and Highmark, data extraction is done through Equifax.



- **Self-regulation for MFIs**

The Company endorses the view that the existence of strong and effective Self-Regulatory Organizations (SROs) will result in development of best practices in various areas in which Microfinance Institutions (MFIs) work. These best practices will evolve through self-regulation/ self-discipline and eventually complement regulatory prescriptions or Government intervention by way of legislation.

In that spirit, the Company along with other Non-Banking Financial Companies (NBFC-MFIs) is a member of and is duly represented on the Board of Microfinance Institutions Network (MFIN), a self-regulatory organization of NBFC-MFIs that aims to work with regulators to promote microfinance to achieve larger financial inclusion goals.

MFIN has set forth a Code of Conduct ("Code") upholding good governance and transparency. This Code broadly focuses on fair practices with borrowers including promoting transparency in communicating interest rates (on reducing balance method) and fees to borrowers in vernacular language, fixing overall lending limits at a borrower level, data sharing, recruitment practices, whistle-blowing, enforcement and an Ombdusperson mechanism for redressing grievances. Your Company has agreed to implement and follow the MFIN Code of Conduct in addition to adhering to the Fair Practice Code as laid down by the RBI.

During the year under review, as the microfinance sector witnessed the phase of regulatory ambiguity and for other reasons, MFIN concerted its efforts towards positioning itself as the primary representative body for the microfinance sector, developing a self-regulation policy, and advocating on sectoral issues to both regulatory bodies as well as to the media.

Lastly, the Company believes that steps towards self-regulation would bring the focus back to the borrowers, improve public trust, help guarantee long-term sustainability, and supplement the regulatory regime.

- **Human Resource Management**

Human resources is one of the key elements of your Company's growth. The Human Resource (HR) function has over the years fully developed its capabilities and set up a scalable recruitment and human resources management process, which enables us to attract and retain higher caliber employees.

HR has played a critical role in supporting the business goals during the various changes in the sector as well as in the Company. HR has made changes in various policies, processes and systems to strengthen the effectiveness of operations and to keep pace with a rapidly changing business scenario. In the last year, the Company has undertaken various industry first initiatives in the areas of talent adequacy, capability enhancement and growing leaders from within.

The total manpower of the Company stood at 560 as on March 31, 2015.



- **Employee Stock Option Plans (ESOP)**

Presently, stock options have been granted and 10,00,000 shares have been issued under the ESOP Scheme.

a. Remuneration paid or payable to directors during the year

Name	Designation	Remuneration
Ms.Rupali Kalita	Managing Director	Rs.13,57,680

b. Related party transactions during the year

There is no related party transaction to be reported .

c. Risk Management

The company is having a 3-tier Risk Management policy. The Company in collaboration with IFC with the help of Deloitte is putting in place a robust risk management framework.

d. Vigil Mechanism

The company's vigil mechanism is three-pronged viz. [1] the Area Managers look into the client selection & disbursement practices as well as the branch operations every month [2] the Zonal Managers oversee the overall operations of the branches every two months and [3] quarterly audits conducted by the Internal Audit team.

e. Declaration by Independent Director under Sub Section (6) of Section 149:

The Company has three Independent Directors in the Board and the recommendation and suggestions of the Independent Directors were taken on record during the course of the board meetings.

Policy on Director's Appointment and Remuneration under Sub Section (1) of Section 178:

The Company has a Nomination & Remuneration Committee which is headed by an Independent Director.



11. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO.

The Company is taking proper steps at every level of operation for conservation of Energy. There is no technology absorption and total Foreign Exchange outgo during the year ending on 31st March 2015 is Nil.

13. Extracts of Annual Return under Sub Section (3) of Section 92:

The Extract of Annual Return in Form MGT-9 has been separately attached with the Report and marked as Annexure – I.

14. ACKNOWLEDGEMENT

The Directors take this opportunity to express their deep and sincere gratitude to the customers, the financial institutes, the Reserve Bank of India, and other Regulatory Authorities for their co-operation, support and guidance. The Directors would like to express a profound sense of appreciation for the commitment shown by the employees in supporting the management in its continued robust performance on all fronts.

For and on behalf of the Board of Directors

(Signature)

Managing Director
(DIN No: 02114098)

(Signature)

Chairman
(DIN No: 00667210)

Place: Guwahati
Date: 22/05/2015





FormNo.MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON
31/03/2015

[Pursuant to section92(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	U65923AS2008PLC008742
ii.	Registration Date	18/07/2008
iii.	Name of the Company	RGVN (North East) Microfinance Limited
iv.	Category/Sub-Category of the Company	NBFC- MFI
v.	Address of the Registered office and contact details	PADMA PATH, BYE LANE NO 8, HOUSE NO-2 , ZOO ROAD TINIALI GUWAHATI- 781024 ASSAM.
vi.	Whether listed company	No
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	NIL

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	Micro Finance	64920	94.96%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary /Associate	%of shares held	Applicable Section
1.	-	-	-	-	-
2.	-	-	-	-	-
3.	-	-	-	-	-
4.	-	-	-	-	-



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	-	49500	49500	0.27%	-	49500	49500	0.13%	0.14%
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	3060800	3060800	16.99%	-	3060800	3060800	7.92%	9.07%
Sub-total(A)(1):	-	3110300	3110300	17.27%	-	3110300	3110300	8.05%	9.21%
2) Foreign	-	-	-	-	-	-	-	-	-
g) NRIs-Individuals	-	-	-	-	-	-	-	-	-
h) Other-Individuals	-	-	-	-	-	-	-	-	-
i) Bodies Corp.	-	-	-	-	-	-	-	-	-
j) Banks / FI	-	-	-	-	-	-	-	-	-
k) Any Other....	-	-	-	-	-	-	-	-	-
Subtotal (A)(2):-	-	-	-	-	-	-	-	-	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	NIL	6000000	6000000	33.31%	NIL	8000000	8000000	20.70%	12.61%
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	NIL	8900232	8900232	49.42%	NIL	26541502	26541502	68.67%	19.25%
h) Foreign Venture Capital	-	-	-	-	-	-	-	-	-

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	
Funds									
i) Others (ESOP)	NIL	-	-	-	NIL	1000000	1000000	2.59%	2.59%
Sub-total(B)(1)	NIL	14900232	14900232	82.73%	NIL	35541502	35541502	91.95%	9.22%
2. Non -Institutions									
a) Bodies Corp.									
(i) Indian	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(ii) Overseas	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	NIL	500	500	0.002%	NIL	500	500	0.001%	0.001%
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) Others (specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total(B)(2)	NIL	500	500	0.002%	NIL	500	500	0.001%	0.001%
Total Public Shareholding (B)=(B)(1)+ (B)(2)	NIL	14900732	14900732	82.73%	NIL	35542002	35542002	91.95%	9.22%



ii. Shareholding of Promoters :-

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1.	Amiya Kumar	24,750	0.14 %	NIL	24,750	0.06 %	NIL	0.08 %
2.	Shanti Kalita	24,750	0.14 %	NIL	24,750	0.06 %	NIL	0.08 %
3.	Nabajyoti Deka	281,560	1.57%	NIL	281,560	0.73%	NIL	0.84 %
4.	Girindra Das	171,680	0.96%	NIL	171,680	0.44%	NIL	0.52 %
5.	Nitul Rajbongshi	272,640	1.52%	NIL	272,640	0.71%	NIL	0.81%
6.	Aswini Saikia	531,240	2.95%	NIL	531,240	1.37%	NIL	1.58%
7.	Santanu Pratim Bhattacharjee	189,280	1.05%	NIL	189,280	0.49%	NIL	0.56%
8.	Utpal Deka	304,640	1.70%	NIL	304,640	0.79%	NIL	0.91%
9.	Arindam Sarkar	309,760	1.72%	NIL	309,760	0.80%	NIL	0.92%
10.	Jayanta Madhab	1,000,000	5.56 %	NIL	1,000,000	2.59 %	NIL	2.59%
	Total	3,110,300	17.27%	NIL	3,110,300	8.05%	NIL	9.23%

iii. Change in Promoters' Shareholding (please specify, if there is no change):- 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
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	-	-	-	-

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	i) 926,479,400	i) 104,409,090		i) 1,030,888,490
ii) Interest due but not paid	ii) Nil	ii) Nil		ii) Nil
iii) Interest accrued but not	iii) 363,668	iii) 2,556,164		iii) 2,919,832
Total (i+ii+iii)	926,843,068	106,965,254		1,033,808,322
Change in Indebtedness during the financial year				
- Addition	1,479,500,000	-		1,479,500,000
- Reduction	(715,233,142)	(42,481,820)		(757,714,962)



Net Change	764,266,858	42,481,820		721,785,038
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the end of the financial year				
i) Principal Amount	i) 1,690,746,258	i) 61,927,270		i) 1,752,673,528
ii) Interest due but not paid	ii) Nil	ii) Nil		ii) Nil
iii) Interest accrued but not due	iii) 6,150,513	iii) 2,400,563		iii) 8,551,076
Total (i+ii+iii)	1,696,896,771	64,327,833		1,761,224,604

VI. REMUNERATION OF DIRECTORS AND KEY-MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

Sl. No.	Particulars of Remuneration	Names of MD/WTD/Manager				Total Amount
1.	Gross salary	Rupali Kalita (MD)	NIL	NIL	NIL	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,357,680				1,357,680
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL				NIL
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL				NIL
2.	Stock Option	NIL	NIL	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL	NIL	NIL
4.	Commission - as % of profit - Others, specify...	NIL	NIL	NIL	NIL	NIL
5.	Others, please specify	NIL	NIL	NIL	NIL	NIL
6.	Total(A)	1,357,680	NIL	NIL	NIL	1,357,680
	Ceiling as per the Act	NIL	NIL	NIL	NIL	NIL

**B. Remuneration to other directors**

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager							Total
		Brij Mohan	Deep Chandra Joshi	Narasimhan Srinivasan	V.K. Chopra	NIL	NIL	NIL	Amount
1.	Independent Directors								
	For attending board committee meetings	10,000	-	-	-	-	-	-	10,000
	-Commission	-	-	-	-	-	-	-	-
	-Others (Board Meeting)	70,000	40,000	40,000	10,000	-	-	-	160,000
	Total (1)	80,000	40,000	40,000	10,000	-	-	-	170,000
2.	Other Non Executive Directors								
	For attending board committee meetings	25,000	-	-	25,000	25,000	-	-	75,000
	-Commission	-	-	-	-	-	-	-	-
	-Others (Board Meeting)	70,000	20,000	10,000	50,000	80,000	-	-	230,000
	Total (2)	95,000	20,000	10,000	75,000	105,000	-	-	305,000
	Total(B)=(1+2)	175,000	60,000	50,000	85,000	105,000	-	-	475,000
	Total Managerial Remuneration	-	-	-	-	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-	-	-	-	-

C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD

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	NIL	443,100/-	NIL	NIL
2.	Stock Option	NIL	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL	NIL
4.	Commission - as % of profit -others, specify...	NIL	NIL	NIL	NIL
5.	Others, please specify	NIL	NIL	NIL	NIL
6.	Total	NIL	443,100/-	NIL	NIL



VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief description	Details of Penalty/Punishment/Compounding fees imposed	Authority[RD/NCLT/Court]	Appeal made. If any(give details)
A. Company					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
B. Directors					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
C. Other Officers In Default					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL





AUDIT COMMITTEE:

The Audit Committee of the Board of Directors functions with the following main objectives:

- i) To provide direction and to oversee the operation of the audit function of the company
- ii) To review the internal audit system with special emphasis on its quality and effectiveness.
- iii) To discuss matters related to frauds
- iv) To discuss and follow up for issues related to RBI Inspection Report(s)
- v) To oversee the financial reporting process and the disclosure of its financial information and also ensure that the financial statements are correct, sufficient and credible
- vi) To recommend to the Board, the appointment, re-appointment, and if required, the replacement or removal of the Statutory Auditor and to fix their audit fees
- Vii) To review the annual financial statements with the management, before submission to the Board for its approval with particular reference to:
 - Changes, if any, in accounting policies & practices and reasons for the same.
 - Major accounting entries involving estimates based on the on the exercise of judgment by the management
 - Significant adjustments made in the financial statements arising out of audit findings
- Viii) To review, with the management, the quarterly financial statements before submission to the Boards for its approval.
- ix) To review the performance of statutory and internal auditors, and adequacy of the internal control systems with the management
- x) To review the adequacy of the internal audit function, if any, including the structure of the internal audit department, reporting structure, coverage and frequency of internal audit





- xi) To discuss with internal auditors any significant audit findings and follow up thereon
- xii) To review the finding of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity of a failure of internal control systems of a material nature and reporting the matter to the Board
- xiii) To discuss with Statutory Auditors, before the commencement of audit, the nature and scope of audit as also conduct post-audit discussion to ascertain any area of concern
- xiv) To carry out any other functions as per the terms of reference of Audit Committee.

During the period under review, the Audit Committee had 4 meetings which were held on 15th May 2014, 25th September 2014, 27th October 2014 and 19th March 2015.

The attendance of the Audit Committee members at such meetings is as stated below:

Sl. No.	Name of the member	No. of AC meeting attended
1	Mr. P.K. Saha, Chairman	4
2	Mr. S.K. Baruah, Member	4
3	Dr. Amiya Kumar Sharma, Member	4
4	Mr. Nijord Andrew, Member (Since October 2014)	2

NOMINATION & REMUNERATION COMMITTEE

The role of the Nomination Committee is to identify, research and recommend candidates for the appointed Board of directors positions involving "specific expertise" and its objective is to assist the Board to fulfill its oversight responsibility to shareholders to ensure that remuneration policy and practices reward fairly and responsibly with a clear link to corporate and individual performance, and having regard to legal requirements and sound corporate governance.

The principal responsibilities and functions of the Nomination Committee are as follows:

- To help the Board analyse its current skills and areas for improvement, as well as to help it anticipate its future needs;
- To be familiar with the RGVN NE Microfinance Ltd's policies, mission, vision, values and goals, and other important information;
- To develop selection criteria to be used in the recruitment process, including capability, expertise, availability, and other relevant factors;
- To research and screen potential candidates according to the selection criteria, and recommend the most suitable candidates to the Board;
- To ensure new "specific expertise" Board members receive proper orientation and any other necessary training/inputs;
- To periodically support the Board in other Board development processes, as requested;
- To brief and orient its successors on the Nominating Committee in future years.

The remuneration Committee shall focus primarily on:



- Remuneration policies, including long and short term incentives
- Remuneration practice and its cost to the company
- Pension and superannuation arrangements and other benefits
- The engagement and independence of external remuneration advisers

During the period under review, 2 meetings of the Nomination & Remuneration Committee were convened on 25th September 2014 and 19th March 2015. We provide hereunder details of the attendance of the Nomination & Remuneration Committee members at such meetings:

Sl. No.	Name of the member	No. of NRC meeting attended
1	Mr. Brij Mohan, Chairman	2
2	Mr. Saneesh Singh, Member	2
3	Dr. Amiya Kumar Sharma, Member	1

POLICY ON SEXUAL HARASSMENT

The Policy on Sexual Harassment of the female employees of the organization has been put in place during FY 2014-15. However, no complaints have been registered till close of the fiscal under review.





RGVN (NORTH EAST) MICROFINANCE LIMITED

Padma Path, Bye Lane No. 8, House No. 2
Zoo Road Tiniali, Guwahati-781024

Assam

CIN: U65923ASS2008PLC008742

Email id: - rgvn.nbfc.admn@gmail.com

Ph: - 0361 - 2464612/24

NOTICE

The Seventh Annual General Meeting of RGVN [NORTH EAST] MICROFINANCE LIMITED will be held on Friday, the 22nd day of May, 2015 at 1.00 p.m. at the Registered office of the Company at Padma Path, Bye Lane No. 8, House No. 2, Zoo Road Tiniali, Guwahati-781024, Assam to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statement for the Financial Year ending on 31st March, 2015 and Directors' Report and Auditors' Report and the comments thereupon.
2. To appoint Auditors and authorize the Board of Directors to fix the remuneration for the year 2015-2016 in terms of the provisions of section 139 & 142 of Companies Act, 2013 and the rules made there under and to pass the following resolution with or without modification as ordinary resolution.
"RESOLVED THAT M/s. D. Patwary & Company, Chartered Accountants be and is hereby appointed as the statutory Auditor of the Company for the financial Year 2015-2016."
"RESOLVED THAT Board of Directors of the Company be and is hereby authorized to decide and fix the remuneration of the Statutory Auditor(s) of the Company appointed for the FY 2015-16, as may be deemed fit by the Board."
3. To appoint a Director in place of Mr. Deep Chandra Joshi, Director (DIN: 00332709) who retires from office by rotation and being eligible, offers himself for re-appointment
"RESOLVED THAT Mr. Deep Chandra Joshi, Director be and is hereby re-appointed as a Director of the Company and shall be liable to retire by rotation."

By Order of the Board of Directors
For RGVN [NORTH EAST] MICROFINANCE LIMITED


Rupali Kalita
(Managing Director)

DATE: 30.04.2015

PLACE: GUWAHATI

NOTES:-



RGVN (NORTH EAST) MICROFINANCE LIMITED

RGVN (NORTH EAST) MICROFINANCE LIMITED

Padma Path, Bye Lane No. 8, House No. 2
Zoo Road Tinali, Guwahati-781024

Assam

CIN: U65923ASS2008PLC008742

Email id: - rgvn.nbc.admn@gmail.com

Ph: - 0361- 2464612/24

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE LODGED WITH THE COMPANY AT ITS REGISTERED OFFICE AT LEAST 48 HOURS BEFORE THE TIME APPOINTED FOR THE MEETING.
2. Member desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their questions in writing to the Company at least 10 days in advance before the date of Annual General Meeting, so that the information required may be available at the meeting.
3. Shareholders are requested to kindly bring their copies of Annual Report to the Meeting.

**By Order of the Board of Directors
For RGVN [NORTH EAST] MICROFINANCE LIMITED**

**Rupali Kalita
(Managing Director)**

Date: 30.04.2015

Place: Guwahati





FROM THE DESK OF THE MANAGING DIRECTOR



I am delighted to announce that during the FY 2014-15 the Company has achieved two important milestones [a] more than 2 lakh borrowers have been covered under the portfolio outstanding to the tune of Rs. 229 crore and [b] attempts to transform the company into a Small Finance Bank for which application has been submitted to RBI and RML is one among the 22 shortlisted applicants. These landmark achievements indicate our firm commitment to achieve the goals we have set for the coming years.

Partnering with two overseas social investors—the Norwegian Microfinance Initiative, Norway and OikoCredit, Netherlands through fresh infusion of equity in the organization along with further equity support extended by Dia Vikas Capital's & conversion of OCPS by SIDBI has resulted in enhanced capital base and we extend our heartfelt gratitude to them. Pumping in of equity funds by the new and existing investors has enabled us in developing a robust portfolio and optimizing our operations.

It is also a pleasure to inform that we have a well integrated core team of talented manpower now that includes a good mix of people who have been in RML for several years building the Company brick by brick as well as some new faces, who bring along with them their invaluable experience. Our structure now consists of [1] five Zonal Offices [2] sixteen Area Offices [3] 116 branches and [4] a very strong team at Head Office with Finance & Accounts; Operations; Internal Audit; HR; Training; MIS and Administration Wing led by

departmental heads. This gives us the footing to achieve our goals through our areas of strength.

I am also proud to inform that besides our efforts to extend credit to the clientele, we have also been offering a host of credit-plus services to them, which include Insurance to clients and spouse, free health check up camps for the clients and family, free animal treatment camp, financial literacy camp, free skill development training etc for the beneficiaries and their families. During the year under review around 1 lakh clients have been benefited through these add-on services.

Looking ahead in the FY 2015-16, our intent is to focus on key markets and to strengthen our position in the microfinance sector. In anticipation of an in-principle approval from RBI for transiting into a Small Finance Bank, tapping Rupee equity from Indian social investors and upgrading the MIS software shall also be on the cards. With our expansion plans for Tripura, we are confident of making our presence felt in a total of six states of the northeast region by the next fiscal. We will ensure to enhance productivity of the field force albeit focusing on operational excellence and managing cost with a higher degree of discipline.

Yet another goal set for FY 2015-16 is to put in place a CSR Committee and introduce CSR activities.

Further, we will focus on developing general management capabilities and providing growth opportunities to our colleagues as we build our presence in all the 8 northeastern states. Innovation, penetration and expansion alone cannot sustain RML. Our people are a critical component for our success and I wish to thank all of them for the year gone by. Together we are building an organization to capitalize on our unique ability to transform the lives of millions of poor and needy in the northeastern states of India through our credit and credit plus services.

RUPALI KALITA
MANAGING DIRECTOR



OUR PARTNERS IN GROWTH

INVESTORS/DEBT PROVIDERS



Small Industries Development Bank of India is a non-independent financial institution aimed to aid the growth and development of micro, small and medium-scale enterprises (MSME) in India. Set up on April 22, 1990 through an Act of Parliament, it was incorporated initially as a wholly owned subsidiary of Industrial Development Bank of India. Currently the ownership is held by 33 Government of India owned / controlled institutions. Besides, it has been playing the development role in several ways such as support to micro-finance institutions for capacity building and onlending. SIDBI launched India Microfinance Equity Fund (IMEF) for extending equity for MFIs for poverty alleviation and achieving long term sustainability of operations.

The North Eastern Development Finance Corporation Ltd (NEDFi) is a Public Limited Company registered under the Companies Act 1956 on 9th August, 1995. It is notified as a Public Financial Institution under Section 4A of the said Act and was registered as an NBFC in 2002 with RBI. The shareholders of the Corporation are IDBI, SBI, LIC, SIDBI, ICICI, IFCI, SUUTI, GIC and its subsidiaries. The management of NEDFi has been entrusted upon the Board of Directors comprising representatives from shareholder institutions, DoNER, State Governments and eminent persons from the NE Region and outside having wide experience in industry, economics, finance and management. NEDFi provides financial assistance to micro, small, medium and large enterprises for setting up industrial, infrastructure and agri-allied projects in the North Eastern Region of India and also Microfinance through MFI/NGOs.



RGVN (NE) MFL has approached NEDFi for equity participation in the year 2011 after taking over the business from RGVN [Society]. NEDFi has participated in the equity capital of RGVN (NE) MFL in view of the mission alignment of serving North East India.

Brahmaputra Community Development Trust

Brahmaputra Community Development Trust (a for-profit Trust) was formed with the objective to park the microfinance portfolio of RGVN-Society prior to its transformation into a for-profit entity subject to issuance of license by RBI in February 2010. After receipt of RBI license in August 2010 the microfinance portfolio was transferred to the NBFC-MFI as on October 2010 utilizing BCDT as the vehicle for transformation. RGVN-Society has also invested into the equity of RGVN(NE)MFL through BCDT.

Mutual Benefit Trust

The MBTs hold shares in RGVN(NE) MFL on behalf of 51520 customers who invested initial capital for registration of the company with RBI. Seven MBTs were registered for accommodating investment of 51,520 clients equity contributions into the Company.





Dia Vikas Capital is a Core Investment Company owned by Opportunity International Australia. The company is setup in 1996 with a vision to see local indigenous microfinance, livelihood and development service partners assist millions of poor people to be lifted out of poverty permanently. Their parent organization, Opportunity International Australia currently focuses its work in India, Indonesia, the Philippines, China and Ghana. With more than 40 years' experience of working with the poor, Opportunity is currently providing a way out of poverty for millions of people in more than 20 developing countries.

Dia Vikas Capital has been investor since inception of the organisation. Dia's support to the RGVN (NE) Microfinance and Microfinance industry as a whole is remarkable. Dia was the first investor in 2011 after obtaining NBFC license from RBI.

OIKO Credit International, founded in the year 1968 meeting of the World Council of Churches with young politically engaged church members, from a variety of denominations, calling for an ethical investment channel that supports peace and universal brotherhood. From the inception OIKO's goal has been to promote social justice by providing credit to productive enterprises run by disadvantaged people.

OIKO Credit joined RGVN(NE)MFL as an equity partner in 2014 along with NMI for further strengthening the latter's capital base to reach its vision of serving 5 lakh poor households by 2017.



Established in 2008 as cooperation between the public authorities and private investors in Norway, Norfund, the Norwegian Development Finance Institution, represents the Government of Norway, and the private investors consist of DNB Livsforsikring, Ferd, KLP and Storebrand. The Mission of NMI is to contribute to the empowerment of poor people and to the creation of jobs, wealth and economic and social sustainability in developing countries by investing in and supporting Microfinance Institutions ("MFIs").

Norwegian Microfinance Initiative invested in RGVN(NE) MFL in 2014 as its vision aligns with their social responsibility.

Some individual shareholders are also invested in the equity of RGVN microfinance at the time of its formation as the initial promoting members. The details of these members has been provided as part of Annexure E

Individual shareholders (promoters)





MACRO SMILES IN THEIR MICRO LIVES

For 30-year-old Jitumoni Rabha life has always been like the way it is for her mother or grandmother. She got married at a tender age, gave birth to two sons, cooked food for the family twice a day, helping her husband in the paddy fields and doing the household chores. She also managed to get some time out of her daily schedule to go to the stone crushing unit located near her village Silipara to pocket between Rs. 100 to Rs. 150 per day by crushing stones with other women of the village during the morning and in the afternoon shifts. Like many of the uneducated village women in Silipara and other adjoining areas under Boko in Assam's Kamrup district, life has always encircled around the same things. Extreme hardships were always a part of their rustic life and there was seemingly nothing to complain about.

Last year she came to know about the microfinance initiative of the RGVN (NE) Microfinance Limited. After a little effort, she could manage to get a loan of Rs. 7,000 and bought two piglets (Hampshire). "The two piglets cost me around Rs. 3,000 last year. It took about nine months for the piglets to grow up and last month I sold one of them for Rs.8,000 and the other for Rs. 10,000," said a happy Jitumoni.

She has been paying the easy installment of the RGVN loan timely (after every 14 days) and this time she plans to buy some more piglets if the RGVN gives a fresh loan of Rs. 15,000 to her. "I have applied for Rs. 15,000 loan this year. I hope to buy some more piglets if they sanction it," she said.



This is not the story of Jitumoni alone. The microfinance initiative of the RGVN has encouraged many of the womenfolk in and around the areas to follow the path. These marginalized people could not even dream of starting any such self empowering steps in the past due to lack of finance.

“There were rich people in the village who used to give loans but the rate of interest is so high that it is not possible for us to get one. They charges Rs. 5 to Rs. 10 per month as interest for loans of Rs. 100. In RGVN we have to pay nominal amounts per month to repay the loan and thus we can earn some profits for the money thus invested,” said Thaneswari Rabha another RGVN beneficiary from Silipara village.

She had taken a loan of Rs. 7,000 from the RGVN last year and bought two piglets as well as some poultry. “It’s great to supplement the family income. I could pay for the admission fees of my son to the 1st year BA course in Institute of Distance and Open learning (IDOL) of the Gauhati University without bothering his father,” said Thaneswari.

Jitumoni, Thaneswari and Geeta Rabha were part of a Joint Liability Group (JLG) from the same village formed by the RGVN for disbursing the loan. Geeta bought three piglets last year with the loan sanctioned by the RGVN and pocketed a hefty profit by selling those last month.

The RGVN has disbursed loans to the tune of several crores of rupees to these women of marginalized section aiming to empower them economically. Interestingly, the recovery rate against each of these loans given by the RGVN (NE) MFL in most of the areas is close to 100 percent.

The Making of Entrepreneur...

Mrs. Manju Shil (45) from a remote village Namssisu of Jorhat district makes the things possible. She was a housewife of a daily wages labour and faced the acute crisis in running her family. But she could able to bring change by her constant effort and entrepreneurial quality.

Starting off with a small shop in her dwelling house with limited grocery items, Manju with the first loan availed from RGVN (NE) MFL had

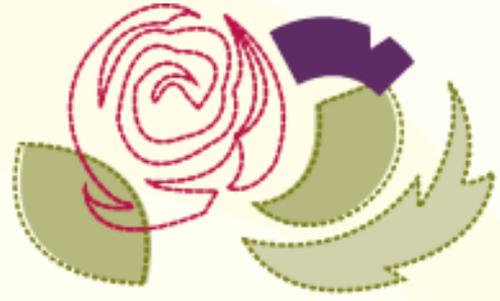
constructe d a small outlet in front of her house made of bamboo to stack her wares. With the second loan availed, she had purchased more items of grocery and also brought some stationery items for sale. In the next stage, she converted her bamboo-roof to a tin-roofed shop and also helped her husband in starting a business of selling cloth in the weekly market places so that they earn some extra income to run the family comfortably. With the 3rd cycle loan Manju has ensured that her grocery-cum-stationery shop has most of the consumable items so that the villagers can buy the essentials under the same roof.



We are growing with them...



WEAVING DREAMS OF EMPOWERMENT



They charges Rs. 5 to Rs. 10 per month as interest for loans of Rs. 100. In RGVN we have to pay nominal amounts per month to repay the loan and thus we can earn some profits for the money thus invested.

Life has remained idle one for Rashmi Rabha of Aagsia village near Boko in Assam's Kamrup district till a few years back. With her husband, two children and some amount of agricultural lands, it was rather a settled life for Rashmi.

In 2008, Rashmi decided to make an end to her idle life and do something. She got in touch with the RGVN (NE) MFL, who had already started a field office in Boko and started the initiative of empowering the village women through microfinance.





“First year I could get a loan of Rs.5,000 from RGVN and bought a hand operated loom, the common one found almost in any rural household in Assam. As I started making the traditional Mekhela Chador, Gamocha and other materials and selling them in the nearby Boko market,” she said adding that the little profit she made out of effort encouraged her to expand the number of looms to boost production.

“The repayment of the loan was over in six months and I applied for another loan from the RGVN (NE) MFL, this time Rs. 10,000. I bought another loom and hired a girl to work on it. My profit increased in the second year as the production increased and this encouraged me to buy another loom the next year and hire another girl.

Rashmi now has five hand looms installed in her backyard over the last five years and employed five girls as ‘Sipini’ (weaver) to work on it. The initiative not only made Rashmi self reliant but also made her able to give employment to at least five unemployed girls in the locality.

“I have been taking loans from RGVN (NE) MFL regularly and they never refused my application as I have been paying the installments on time. Our production has increased after the five girls joined me and now we also go and take part in different trade fairs to showcase our products and sale those,” she said.

“After starting the looms, I have been able to supplement the family income. Earlier I have to ask for money from my husband even for small things. But I do not have to disturb him any more for small things as I can do it with the money I earn,” said a happy Rashmi.

She said that after selling the products and paying the five girls for their share of works, she can easily earn a profit between Rs. 12,000 to Rs. 15,000 a month.

“It is really good working here. I have been working here for last two years. I was sitting idle at home after passing my higher secondary examinations. It is difficult to get a job these days due to the competition. However, I am earning by working here and my parents are also happy,” said Malita Rabha, one of the five girls employed by Rashmi.





MAKING 'MURHA' FOR PROSPERITY

The Bamunigaon camp area under Boko development Block in Assam's Kamrup district is known for artisans making beautiful decorative Murhas. Over 300 families living in the area has been making Murhas, using bamboo, cane and plastic as raw materials. The Murhas are the only source of livelihood of these people, most of whom are Hindu migrants from Bangladesh.

Initially there were about 1,400 families in 1966, who migrated from Maimansingh district in Bangladesh due to religious persecutions and volatile political situation in the country. The then Assam government gave each of the families ten lechas of land (yet to be given land patta) to settle down. The people who are traditional bamboo and cane artisans now held on to their traditional art to earn a living in their new homeland.

It was very difficult as there was no flow of cash to buy raw materials to make the Murhas. We have been surviving by making Murhas by taking loans from local money lenders. The money lenders, however, charge huge interests, cuts on the profit



“It was very difficult as there was no flow of cash to buy raw materials to make the Murhas. We have been surviving by making Murhas by taking loans from local money lenders. The money lenders, however, charge huge interests, cuts on the profit,” said Kasan Das, one of the artisans in the village.

Kasan, however, came in touch with RGVN (NE) Microfinance a few years back and this changed his world. “I took a loan of Rs. 15,000 from the RGVN and started making more Murhas. My wife also started helping me soon and the profit increased as we had to pay less interest to the RGVN. They have also made small 14 day installments to repay the loan. Now, we also buy Murhas from other people in the village and sell them in the nearby market,” said Kasan.

Das soon rented a small showroom-cum-shop at the Rajapara bus stand to stock the Murhas of different sizes and shapes. “The artisans of the area used to have the customer in the Goalpara road also. The people travels to Tura in Meghalaya usually buy their products in the roadside and it becomes easy to access the market” he said.

According to their estimate, one person can make at least one pair of medium size Murha in a day, which can be sold at anything between Rs. 300 to Rs. 500.

Das's success story soon inspired others in the locality and RGVN (NE) MFL has helped almost everyone in the village with small loans. Rekha Mallow, another women artisan of the village had last year taken a loan of Rs. 15,000 and she has been paying all the bi-monthly installments timely. “The last year's loan is almost over and I am going to apply for Rs. 25,000 from the RGVN (NE) MFL this year. Last year all the Murhas I made were sold. I know some traders who come here at regular intervals and buy the Murhas from me. I know that the profit is less, if I sale those to the whole sale traders. However, I don't mind as I have small kids at home and it saves the extra labour,” Rekha said.

Purnima Ghosh has this time applied for a loan of Rs. 50,000 from the RGVN (NE) MFL for making the Murhas. “I make the large decorative Murhas. I can make it of any design like Murhas of the shape of apple or Kolsi or any other shape you want. It takes about seven days to make one such decorative Murha,” said Purnima, who had been taking laons from RGVN for last three years.

Purnima said that one pair of such large size decorative Murha can be easily sold at anything between Rs. 1,800 to Rs. 2,500 making a good amount of profit not only to pay the RGVN loan but to make a modest living.



A MASTER OF SKILLS



67-year old Nalin Barman has been making Murhas since his childhood in Bangladesh.

The old man of Bamunigaon Camp area near Boko in Assam's Kamrup district has been a guiding for hundreds of people in the village, who were solely dependent on making the Murhas to earn a living for themselves.

A Hindu migrant from Bangladesh in 1963, Barman settled in Bamunigaon area of Boko along with 1,400 families—all of whom came from Bangladesh. “We arrived here in 1963. We were landed people in Bangladesh. We used to cultivate paddy and other grains back there in Mymensingh district. The Assam government later gave us 10 lechas of land to each household to settle. Since then I am making Murhas for a living,” said Barman.

Barman who arrived in Assam when he was only 15-years-old is one of the oldest persons in the Camp area, which has already earned fame for making Murhas. The Camp area is one of the important clusters of beneficiaries of RGVN (NE) MFL and almost all the families have taken loans from the RGVN to boost their business.

“He (Nalin) is one of the oldest surviving persons here. He has seen the worst of days in Bangladesh and knows why our fathers decided to migrate from Bangladesh. He is also a veteran in the trade of Murha making and we still learn from him on how to beautify our products. He helps everyone,” said Anima Ghosh, one of the Murha artistes of Camp area.



TAKING DAIRY ROUTE TO HAPPINESS

Naramaya Rabha, a native of Turukpara village in Boko has been solely dependent on the fair price shop she owns for a living.

The shop witness heavy rush when there is supply of essential commodities like rice, dal, sugar, kerosene etc. However, during days when there is no supply, she used to spend idle hours waiting for customers.

A few years back Naramaya decided to earn some extra bucks and decided to go for dairy farming. She put together all her savings but only to realize that she was short of the required amount to buy the hybrid cow. Soon she approached RGVN (NE) MFL and managed to get a loan to buy the cow.

“The cow gives about 20 litres of milk per day and I sale this to the sweet shops in Boko. They pay me Rs. 35 per litre and I have been earning Rs. 21,000 per month. I have been paying the installments regularly and hope to apply for another loan of Rs. 50,000 this year,” said Naramaya.

Naramaya wants to buy at least one more cow to increase the milk production. As there is no such dairy firm supplying good quantity of milk, she hopes to cash in on the demands for quality milk in the small township.

We are growing with them...



A TAILORED DREAM



Rashmi Kalita of Aamtola Jiakur village near Chaigaon in Assam's Kamrup district learnt tailoring and embroidery long time back. As time passed by, Rashmi started catering to the tailoring and embroidery needs, particularly those of the girls and women in the village.

In 2003, Rashmi stumbled upon the idea to start a tailoring and embroidery centre in the village, not only to expand her business but also to give some skill training to the interested young girls of the village. "But the problem was I had only one sewing machine at home. Someone advised me to approach the RGVN (NE)MFL for a loan to buy more sewing machines. Considering my skills and experience, I was sanctioned a loan of Rs. 10,000, which helped me buy one more machine," said Rashmi, who had increased the number of machines to five over the years.

Rashmi has also employed five women to help her in tailoring and embroidery and they supply different items to the shops in Chaigaon area. "It's a dream come true. I always dreamt of doing something on my own. I am also thankful to the RGVN(NE)MFL for helping me achieve the dream," she said

"Since our area is a remote one and the markets are located at a distance, people from the neighbouring villages also come to me for all their tailoring needs," she said adding that she does not take any fees from the young girls who come to her to learn the tailoring skills.

"Most of the girls are from poor financial background and they cannot pay. It is just that they help me out with whatever they can during the process of learning," she said.



Give a man a fish, [and] he'll eat for a day. Give a woman microcredit, [and] she, her husband, her children, and her extended family will eat for a lifetime.

—Bono Lead



a
Journey
so far...



A Macro View of the Indian Microfinance Industry

The Microfinance Industry, which started in India during the 1980s through the Self Help Group (SHG) movement, plunged into a crisis five years back. However, it made a turnaround in 2014-15 and went on to record a 61 percent increase in its total loan portfolio at Rs. 40,138 crore on year-on-year basis during the year.

As on March 31, 2015, the Industry has provided micro credit to 30.5 million borrowers, indicating a growth of 29 per cent in clientele compared to previous year. What is more encouraging is to know that at least 17 of the micro lenders have sought licenses to operate as small banks and their applications are under consideration by the Reserve Bank of India (RBI).

Microfinance Institutions Network (MFIN) has estimated that the Industry is at the threshold of a great change, which is expected to transform the Microfinance Industry within next three to four years time. In fact the whole definition of the Microfinance is all set for a sea change as a good number of MFIs would become 'Small Finance Banks', the Postal Bank would be in place and the Business Correspondent (BC) model of banking would mature with many banks sharply increasing their direct exposure to microfinance

clients. Another game changer would be the MUDRA Bank which, if things go as planned, will not only become a dominant driver of fund flow to the Microfinance sector but also steer the policy towards the sector. The rapid growth of the Microfinance Industry has to be seen in the broader context of the robust core demand for microfinance coupled with positive policy stance of the RBI and the Government. Within this big picture framework, the key drivers of growth would be the accelerated fund flows from banks and equity investors, substantial scaling up of operations by a number of players and the geographical expansion of the industry to newer and less penetrated markets.

While the domestic equity is the need of the hour for maintaining the growth of the Microfinance sector, Government support would be of immense importance for a sustained growth of the sector. While the RBI has already put in place a comprehensive and robust framework of regulations for the NBFC-MFIs, the NGO-MFIs still remained unregulated and a suitable law is also the need of the hour to regulate those.



Sl.No.	INDICATOR	March 2015	March 2014	March 2013
I	Institutional Profile			
	Number of Branches	116	107	106
	Number of Districts	31	31	30
	Number of Block/ Municipality Covered	347	337	309
	Number of Village/Ward Covered	4569	4379	4249
	Total Staff Strength	560	560	549
	Number of Credit Officers	293	291	271
II	Outreach			
	Number of Centres	8275	7548	5349
	Number of Groups	66,932	52,956	48,397
	Number of Borrowers	226,614	166,623	162,575
III	Loan Portfolio			
	Cumulative Loan Disbursed during the year (‘ in crore)	309	173	164
	Loan Portfolio (‘ in crore)	229	124	117
IV	Portfolio Quality			
	On Time Repayment Rate	99.87%	99.72%	99.61%
	Portfolio At risk> 30 days	0.19%	0.50%	0.52%
	Portfolio At risk> 60 days	0.17%	0.48%	0.47%
V	Productivity			
	Borrower Per Credit Officer	773	573	600
	Outstanding per Credit Officer Rs. (in lakh)	78.16	43	43
	Outstanding per Branch Office Rs. (in lakh)	221	116	111
	Ratio of Field Staff to Total Staff	93%	93%	89%

Company Background and Its formation

Empowerment is a multi-acted, multi-dimensional and multi-layered strategy which enables women to realize their full individuality and power in all spheres of life. It also involves creating an atmosphere where women can use their capability to address the fundamental problems of society at par with their male counterparts. However, women often face some unfavourable position in most of the countries due to different factors. To overcome this crisis, empowerment of women from all aspects, including economic, social, political, legal and educational, is an urgent need. The RGVN (NE) MFL, since its inception, has not only been putting in its best efforts to bring such an environment to the northeastern states but also succeeded to a great extent in empowering the women through its credit and credit plus interventions.

RGVN (NE) MFL is one of the premier Microfinance Institutions in the northeastern India mandated to meet the small credit requirements of the poor households through widely used institutional platform i.e. women Self help Group (SHG) and Joint Liability Group (JLGs) models. Although RGVN (NE) MFL has been operating as an NBFC-from October 2010, yet the mission of extending microcredit to the poor and needy in the northeastern states has been taken up well ahead—since 1995 through the erstwhile RGVN-CSP.

Started off with the SHG mode of lending, this microcredit wing proved successful in reaching out to poor women in interior villages of two states of northeast India initially—Assam and Meghalaya but



RGVN (NORTH EAST) MICROFINANCE LIMITED

soon managed to spread its wings and reached out to three other states—Arunachal Pradesh, Nagaland and Sikkim till March 2015. Thousands of women evolved in due course of time and overcame the challenges through institutional development, financial access and business development services offered by the RGVN (NE) MFL. With the organization reaching out to the remote pockets of the five states in the region, the RGVN (NE) MFL not only transformed itself into an NBFC-MFI after obtaining CoR from the Reserve Bank of India but also functioning as a sole microfinance provider since October 2010.

RGVN (NE) MFL's main focus is on the growth of its microfinance portfolio. While providing credit is the core rationale, extending credit plus services such as facilitating insurance, organizing financial literacy programmes, skill building trainings, conducting health and animal camps for the benefit of the clients also remained a part of its endeavour. With a strong and robust internal system, structural setup, governance system and an effective regulatory environment in place since its inception, the company now intends to make its presence felt in all the eight northeastern states to address the client requirement.

Unlike Andhra Pradesh, where an ordinance impacted negatively on the sector and led the Microfinance institutions to lose credibility, the RGVN (NE) MFL withstood the challenges and could evolve as a successful model compared to the other larger MFIs who had gradually thinned down due to the sectoral

breakdown. The slow, yet steady and sustained performance made the RGVN (NE) MFL a credible institution that attracted various social investors and turned it as one of the largest NBFC-MFIs in the northeast India, reaching out to more than 2 lakh clientele with a network of 116 branches spread over five states of the region. The rapid transformation on many fronts like use of software for MIS, integrating technologies for operational efficiency, client grievances redressal system, well placed corporate governance and robust social performance management has enabled the organization to move into a different league with every passing year. With the growth graph scaling new heights every year, RGVN (NE) MFL has also won confidence of the funding agencies as well as the investors enabling the Company to enjoy uninterrupted support by way of term loans and equity support from lending/funding/investing institutions of repute, across the globe.

To sum up, at the end of fiscal 2014-15, the four main achievements include [1] the capital base has been significantly increased to Rs.65.91 crore with fresh infusion of equity from NMI Fund III KS, Norway, OikoCredit Ecumenical Development Co-operative Society UA, Netherlands, Dia Vikas Capital Pvt. Ltd. and conversion of OCPS by SIDBI [2] the Company has achieved portfolio outstanding to the tune of Rs. 229 crore [3] the active borrower base has touched more than 2 lakh and [4] application has been sent to the RBI for transition into a Small Finance Bank.

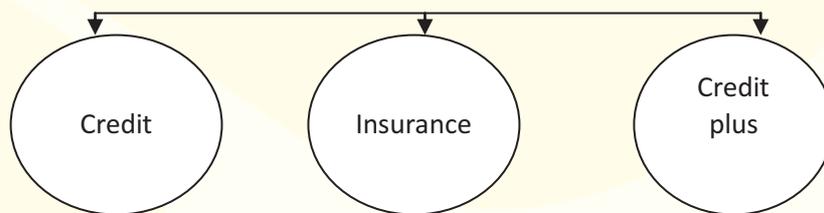




The Year 2014-15 – an overview

OFF THE SHELF PRODUCTS OFFERED BY RGVN (NE) MFL

The client-centricity of the organization is evident from the wide range of services offered which may be classified as under



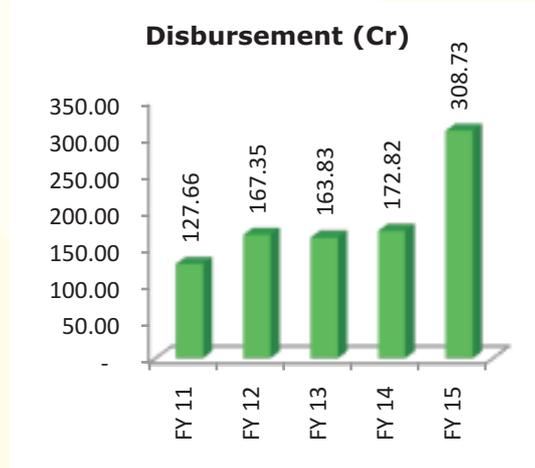
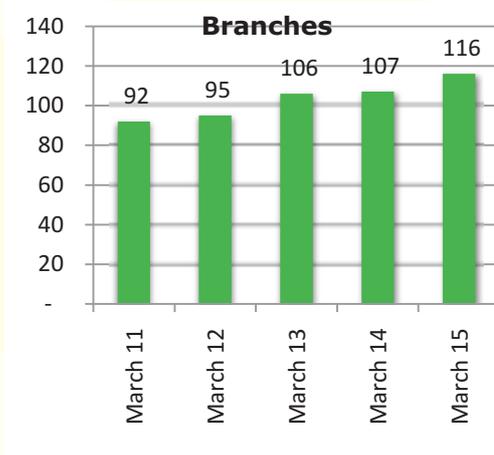
1. Credit products : These include loans provided for income/livelihood generating activities through the following credit delivery vehicles:
 - a. Self Help Groups, Joint Liability Groups formed by clients who are economically backward and socially deprived people having little or no access to mainstream banking
 - b. Entrepreneurship Development loans are offered to graduate clients from SHG/JLG
 - c. Micro Enterprise Loan is provided to entrepreneurs who have a production unit/ firm but unable to access finance from mainstream funders
 - d. Welfare loans are provided for welfare of graduate clients for sanitation, safe drinking water, education of children, marriages etc.
2. Insurance products : RGVN (NE) MFL has a tie-up with two insurance providers, Bajaj Allianz Life Insurance Co. covering life of the clients and with Oriental Insurance Company Ltd., which covers accidental death and partial/total disablement.
3. Credit plus services : The host of credit-plus services extended to clients under RGVN (NE) MFL include Insurance to clients and spouse, free health check up camps for the clients and family, free animal treatment camp, financial literacy camp, free skill development training etc.





OPERATIONAL PERFORMANCE

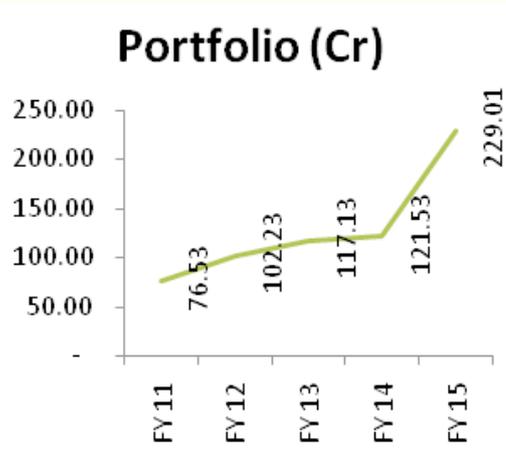
A. Expansions during the year



During fiscal 2014-15, sixteen [16] new branches have been opened. In spite of the difficult terrain and other hurdles in the northeastern India, RGVN (NE) MFL endeavors to serve the un-served in the unchartered terrains and as on 31.03.2015 has a network of 116 branches in Assam, Arunachal Pradesh, Meghalaya, Sikkim and Nagaland.

Despite the first part of the fiscal 14-15 being sluggish, RGVN (NE) MFL has been able to disburse Rs. 308.73 crore in 2014-15 compared to Rs. 173 crore during 2013-14 reflecting 79% growth through its 116 branches. This growth reflects that the Company is mature enough to handle the operations effectively and has been able to venture into new areas to bring in more poor and needy clientele under its fold.

B. Growth in Portfolio and active clients



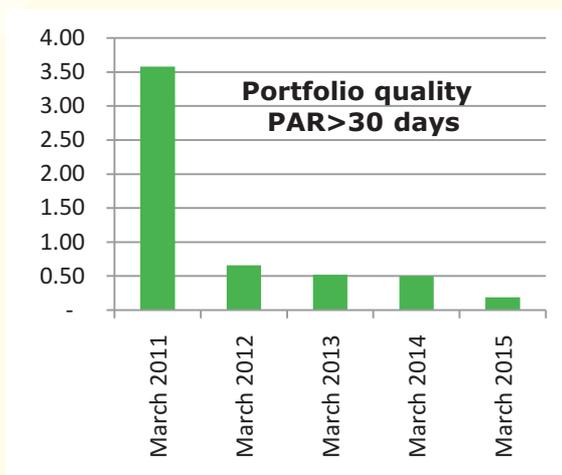
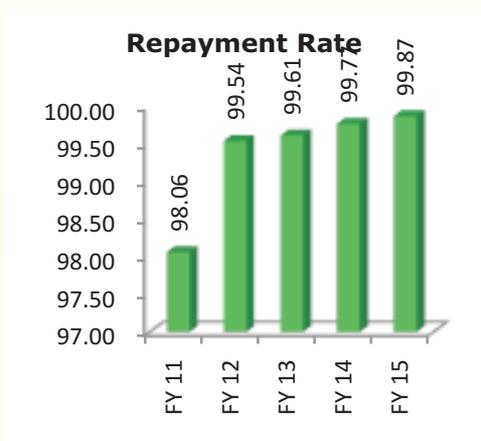
The company had touched two milestones in terms of [a] portfolio outstanding which has touched Rs. 200 crore + registering a remarkable growth of 88% in terms of loan portfolio from Rs. 121.53 Cr in FY 13-14 to Rs. 229.01 Cr in FY 14-15. With infusion of equity from new and existing investors during the second quarter of the fiscal 2014-15, disbursement targets could be achieved and the portfolio has also shown a significant growth as is reflected in the diagram.



and

[b] reached out to more than 2 lakh clientele during the year 2014-15 recording 47% growth as compared to fiscal 2013-14. Continuing our efforts in bringing more clientele under our umbrella, we shall be able to achieve the vision of reaching out to 5 lakh lives by the year 2017.

Productivity : From 573 borrowers being supervised by a Credit Officer, on an average, in 2013-14, there has been an increase to 773 in the year 2014-15 with plans to increase it to 1000 clients per Credit Officer by end June 2015. Outstanding per branch also increased from Rs. 116 lakh to Rs. 220 lakh during the same period thus recording 35% growth in productivity of the Credit Officers and 89% in outstanding per branch.



Portfolio quality : The on time repayment percentage has been increasing year on year with 99.87% as on 31.03.2015. The portfolio quality with PAR>30 days has reduced from 0.50% in FY 2013-14 to 0.19 in FY 2014-15 implying that concerted efforts to bring back dues is taken up by the field Executives.

RECOGNITION : RGVN (NE) MFL operates in a very difficult terrain in five northeastern states of India. However, the commitment to reach out to more poor despite difficult and inaccessible terrain has been gaining momentum every year. On

22.01.2015, CARE had upgraded the rating of the organization to BBB⁺ taking into account the improvement in the financial risk profile backed by equity infusion and conversion of subordinated debt and optionally convertible preference shares into equity. The rating also continues to derive strength from experience of the management and satisfactory governance framework, comfortable asset quality, satisfactory CAR, comfortable asset-liability maturity profile and moderate internal audit system.



HR : HUMAN RESOURCE - AN INSIGHT (2014-15)

The goal of any Human Resource department is to ensure that the company's biggest asset, which is certainly the human resources, continue to remain productive and contribute to the company's growth. In order to achieve that, the Human Resources function at RGVN (NE) MFL implements various programmes and initiatives for the well being and development of the employees, which in turn enables them to contribute their best. Keeping in mind the organization's growth and expansion in the last one year, the RGVN (NE) MFL has also been focusing more on manpower planning and building talent pipelines for adequate supply of skilled manpower.

Staff : The company's the total staff strength stood at 560, as on 31st March 2015. The breakup of staff is as below:

<u>Field Staff</u>			
<u>i</u>	Credit Officers & Jr. Credit Officers		293
<u>ii</u>	Branch Managers		107
<u>Managerial Staff</u>			
<u>i</u>	Zonal Managers		5
<u>ii</u>	Area Managers		15
<u>iii</u>	Executive-II (Zonal Office)		5
<u>iv</u>	Head Office Staff		33
<u>Support Staff (Including Head Office)</u>			
<u>i</u>	General Purpose Staff		102
<u>Total Staff</u>			560





As per the annual manpower plan drawn out at the beginning of the financial year, recruitments were conducted periodically to meet the staffing needs of the organization with its growing portfolio. The HR team is committed towards recruiting the best candidates through both internal and external sources. During the year under review, 69 employees have been recruited including 1 Vice President- (Finance, Accounts and MIS), 1 Accounts Officer, 1 Executive-III HR, 2 Systems Executive and 1 Senior Analyst. In March 2015, 1 System Administrator and 5 Systems Executive (including an inter-departmental transfer from MIS) were also recruited to be posted at Head Office and the Zonal Offices.

Staff attrition :

There has been a decrease in the attrition rate during the period under review from 17.30% last year to 12.32%.



Promotions :

Building leaders from within will continue to be a priority and the company continues to strengthen its efforts to build the talent pipeline. To ensure proper implementation of the Company's promotional policy, promotional processes were conducted for various cadres as follows:

- a. 87 Credit Officers appeared for the promotional written test, out of which 49 qualified to appear for the interview. 23 of them were promoted to Branch Manager.
- b. 39 Branch Managers appeared for the promotional written test, out of which 23 were shortlisted for the interview. 3 Branch Managers were finally promoted to Area Manager.

Staff Welfare :

In order to mitigate the impact of inflation and safeguard the interest of the employees, the company has introduced the payment of Dearness Allowance to be paid to all staff. The Officers/ employees have expressed their appreciation and are thankful to the Governing Board for the kind gesture in hiking the salary of staff.

TRAININGS :

Updates of the Training Wing for the year ended 31.03.2015 is provided hereunder :

- Refresher Courses for Credit Officers are conducted to update them on our systems and procedures and keep them abreast of the present microfinance scenario in the country. During the year ended March 2015, 251 Credit Officers participated in the Refresher courses
- TOT was arranged to train 13 of our Officers by EDA Rural so that they can train our field staff on Outreach Profiling & Base Line Transformation [OPBLT]. EDA Rural along with our trainers trained 390 field staff including Area and Zonal Managers and all Internal Auditors during the year 2014-15. The training centered around defining social goals, benchmarks for market segmentation and indicators to track client profile at entry so that over a period of time clients' transformation can be measured.
- 2 Senior Executives attended IFC's Risk Management training for microfinance industry
- Programme on Preventive Vigilance was organized with support from M2i in August 2014 and all the Zonal, Area and Branch Managers totaling 129 staff members were provided training
- 152 educated unemployed youth were provided classroom training under the Entrepreneurship Development Programme assisted by Dia Vikas Capital



GOVERNANCE & STRATEGY

With the twin goal of extending credit and credit plus services to the clients under our fold, RGVN (NE) MFL endeavors to see a visible socio-economic impact among the poor and needy in the Northeastern States of India.

Target clients : Using the internally formulated format, the target clients are identified using various parameters which include income level, activity, age, assets, cash flow etc. Based on this, client classification is done and non-poor categories are not classified as target clients. The Company also uses the Progress out of Poverty [PPI] tool awarding scores to determine the poverty level. The PPI has been included in the MIS software to track poverty levels of clients by capturing PPI scores at multiple instances—during joining, loan renewal and exit.

Governance : The Governing Board of RGVN (NE) MFL comprises of the best minds in the industry from diverse fields including microfinance, social development, banking and finance comprising 3 Independent Directors, 6 Nominee Directors and 1 Managing Director. To oversee the critical areas, we have the following Sub-Committees [1] ALCO Committee [2] Audit Committee [3] Management Committee [4] Nomination & Remuneration Committee [5] Risk Management Committee. Minutes of the meetings are placed in the subsequent Governing Board for noting and confirmation.

RBI Compliances : As a responsible microfinance institution, the Board has adopted the Code of Conduct defined by MFIN and Sadhan and Fair Practices Code of RBI and monitors the performance regularly. After being classified as Systemically Important NBFC-MFI by RBI, returns as required by the RBI are being filed electronically on a regular basis. The Company also complies with the following RBI norms stipulated from time to time :

1. Pricing of credit
2. Prudential norms directions
3. Qualifying Assets criteria
4. Fair Practice Code

5. Know Your Customer
6. Anti Money Laundering
7. Client Grievance Redressal Mechanism

Client Grievance Redressal Cell : During FY 2014-15 we have received 44 Complaints from clients out of which 43 have been resolved.

Highlights of the Client Grievance Redressal Cell :

- A written Client Grievances Redressal Policy, duly approved by the Board of Directors has been put in place. The Nodal Officer who is entrusted with the matters related to client grievances tracks the complaints and ensures that trouble-shooting measures are implemented at the earliest.
- A Toll Free number is assigned and the Nodal Officer receives complaints from clients through the same. This number is printed in





the passbooks, displayed at the branches and is communicated to the clients in multiple ways

- Complaint boxes have been kept at the branches and also at the Head Office to facilitate receipt of written complaints from clients
- Email and postal communication from literate clients are also received.
- A Senior staff at the Head Office and dedicated staff at the branches handle client grievances to their satisfaction
- The Client Grievances details indicating nature of complaint, date received, date when the complaint was attended/sorted etc. is relayed to the Board of Directors during the Board meetings for noting and providing advise, if required



INTERNAL AUDIT

The Internal Audit function of RGVN (NE) MFL aims at providing an independent assessment on the adequacy and effectiveness of the process for controlling its activities and also managing its significant risks.

The Internal Audit function undertakes a comprehensive risks-based audit of the branches since its inception which is in line with the company's well-defined policy for undertaking a Risk Based Internal Audit. This policy includes undertaking a risk assessment methodology for identifying the risk areas, based on which the audit plan is drawn. The audit plan is aligned vis-a-vis the strategic objective of the Company. Accordingly, RGVN (NE) MFL has switched over to a Quarterly audit of all branches as against to the current practice of a half-yearly audit, which will come into effect from April 2015.

The scope of Risk Based Internal Audit (RBIA), besides examining the adequacy of the Internal control system and external compliance, also evaluates social performance Management at the audited branch.

To ensure independence of the Audit function, the Internal Audit Department functions under the direct supervision of the Audit Committee of the Board which is in line with the corporate governance best practices. The Audit Committee of the Board reviews the performance of the Internal Audit function and effectiveness of the controls laid down by the company's regulatory guideline.

Information System Audit:

Information Systems Audit has been conducted by M/S Dhawan Pandey & Associates, Chartered Accountants during the months of December 2014 to January 2015, to bring to the light the potential threat or risks in the existing IT Systems of the Company. The Risk factors and areas pointed out in their report are being implemented to mitigate the risk in the systems.

FINANCIAL RESOURCES AND ACCOUNTS

As on 31st March 2015, the equity base of the Company stands at Rs. 65.91 crore [including share premium] and the debt funds raised during FY 2014-15 amounts to Rs. 147.95 crore.

Accounts

During FY 2014-15 RGVN (NE) MFL earned an income of Rs. 30.83 crore out of which Rs. 40.92 crore was portfolio income. This is an increase of 28.67% in income as compared to FY 2013-14.

The total expenditure during FY 2014-15 was Rs. 30.83 crore [excluding provision] whereas it was Rs. 26.27 crore during FY 2013-14. The profit before tax was Rs. 10.84 crore during FY 2014-15 and the net profit was Rs. 7.35 crore. 20% of the net profit was transferred to Statutory Reserve as per RBI's direction under Section 45JC.



Acknowledgement

The Board of Directors of RGVN (North East) Microfinance Limited placed on record their appreciation for the support extended by Norwegian Microfinance Initiative-Norway, OikoCredit-Netherlands for initiating a partnership with the Company through infusion of equity and Dia Vikas Capital-Gurgaon for fresh infusion of equity in the Company during FY 2014-15 & to State Bank of India, IDBI Bank, UCO Bank, Assam Gramin Vikash Bank, Ratnakar Bank, Rabo Bank, Reliance Capital, Reliance Home Finance, IFMR Capital and Cordaid for providing financial assistance by way of Term Loans during the FY 2014-15. The Board of Directors also extends their gratitude to all shareholders, clients, partners and employees for their valued contribution which has enabled the Company to scale higher with every passing year.

AUDITORS

M/s. D. Patwary & Company, Guwahati, were appointed as Statutory Auditors for FY 2014-15. The accounts have been audited and certified by the auditors.





SOCIAL PERFORMANCE MANAGEMENT (SPM) (Performance for the year 2014 – 15)

Social Performance Management (SPM) is an institutionalized process of translating Social Mission of our institution into practices—the effective translation of an institution's social mission in to practice in line with accepted social values.

Social Performance looks at the entire process by which the impact is created. It therefore includes analysis of the declared objectives of the institutions, the effectiveness of their systems and services in meeting these objectives, related outputs (for example reaching larger numbers of very poor households) and success in effecting positive changes in the lives of the clients. Therefore, setting up clear goals, monitoring and assessing progress towards those goals and using this information to improve performance and practice is very important.

To maintain Universal standard for SPM, comprehensive toolkit of essential practices has been applied to achieve financial returns and social goals.

The standards are a set of management standards that apply to all microfinance institutions pursuing a double bottom line. The following standards are practiced in our organization:—

- Social goals monitoring systems are properly defined

- Ensured Management and employees commitment to social goals
- Designed product, services, delivery modes and channels that meet clients' preferences
- Treated employees responsibility properly
- Balanced financial and social performance

Keeping in mind the Mission and Vision Statement of our organization the following activities/ measures have been incorporated under SPM.

1. Health and hygiene of our clients

- i) Medical Health check up camps and distribution of medicines in collaboration with Health Deptt. of the State Govt., NRHM and reputed hospitals like the GNRC
- ii) Creating awareness among the clients about health and hygiene through Centre Meeting
- iii) Providing need based financial assistance as loan for medical treatment/ hospitalization
- iv) Hygienic drinking water - Creating awareness among the clients about importance of hygienic drinking water and how to purify ordinary water to safe drinking water through Centre Meetings
- v) Provide financial assistance as loan to install Tube well/ Dug well etc.

2. Financial literacy Training to the clients

- i) Training on Financial Inclusion
- ii) Training on financial literacy to make the active poor women clients aware about the small savings and investments and avoid wasteful expenditures so that they can prepare a rational financial plan and build their own assets

3. Sanitation

- i) Training to create awareness about importance of sanitation in maintaining good health and hygiene—better living
- ii) Providing loan to needy clients for construction of sanitary toilets





4. Education

- i) Creating awareness among uneducated clients through training about importance of education of their children.
- ii) Assisting needy clients for their children's education as loan

5. Skill Development

- i) Arranging skill development training programmes to improve the skill of women members with the help of outside experts so that members can make value added products with better revenue. (Cutting, knitting, tailoring, food processing, doll making etc.)
- ii) Organize training for livestock farming/ rearing (including broiler farming) etc. so that they can start a small farm to augment their income.

6. Animal Health Check up cum Treatment Camp

Organized Animal Health check up/ treatment camps under the area of operation of our branches for the benefit of our clients and their neighbours

7. Social Awareness Camps

Arranged special programmes to create social awareness on how to create/ maintain better environment, leadership role of women and girls, legal issues relating to women etc.

The performance of our company under the above activities during the year 2014 – 15 is highlighted below:

1. Health camps

Number of camps organized under the area of operation of our different branches during the year under review was as under:

Number of Camps with the assistance of NRHM:- **3**, Number of clients/family members/others attended:- **426**

Number of Camps with the assistance of GNRC:- **45**, Number of clients/ family members/ others attended :- **9584**

During the year 2014-15, all together **48** health camps were organized and people benefited were 1,0010 numbers.



Snapshot of Health Camp in different places organised by RGVN (NE) MFL

GNRC with their equipped medical van performed ECG and ultra sound in deserving cases free of cost and medicines were provided by our company.



2. Animal Health check up camp:

During the year 2014-15, 9 numbers of animal and birds health check-up cum treatment camps were organized under the area of operation of 9 branches where 1,186 animals and 925 birds of our clients and their neighbours were checked and medicines provided.



Snapshot of Animal treatment camp held at Kaki

3. Skill based training

The details of skill based training organized under the area of operation of our different branches during the current year are as under:

Sl. No	Activities	No of camps	No. of participants trained
1	Cutting/knitting/tailoring	28	926
2	Doll making	07	212
3	Livestock farming	163	4702
	Total	198	6040





Snapshots of Doll making Training Programme



Snapshots of Cutting and Knitting Training held at Nagaon



4. Other training

The performance in respect of other training programmes organized to create awareness among our clients are as under:

Sl. No	Topics	Nos. of Camps	No. of participants attended
1	Financial literacy	711	15686
2	Health and nutrition	194	3923
3	Education of Children	127	2480
4	Environmental issues	35	722
5	Leadership development (Women)	61	1392
6	Women rights and legal issues	09	198
Total		1137	24401

Impact Assessment

It is necessary to make impact assessment on economic and welfare standards of clients under SPM. For that

- i) Base line data using commonly used tools–Progress Out of Poverty Index (PPI) questionnaire, are collected at the beginning with the loan application to know the level of poverty on the basis of score card and to assess the improvement/impact at a future date.
- ii) Arrangements are at hand to assess the impact after our intervention on the improvement of socio economic condition of clients and to know on what extent we have been able to attain our Mission statement.

EDA Rural along with our trainer (trained by EDA Rural) has recently trained all our field staff on Outreach Profiling and Base line Transformation and also on collection of correct PPI data for implementation of SPM process and impact analysis.





Staff Training

Training is a continuous learning process which is constant in organisational life. Training is important in all aspect for an organization. This could be in-house training or training arranged by outsider expert. RGVN (NE) MFL, being microfinance institution and staff oriented business organisation, it has direct impact on the quality of services provided to the clients. We are a growing concern and our employees also need to keep pace with the development. Therefore, the key focus has been in imparting effective and structured training that develop employees towards a long term career goals and also promote greater job satisfaction, which in future, enhances the individual contribution to the organisation. The overall approach is to change and create a smarter workforce and yield the best result.

The main objectives of training are:

- **Individual objective** : This objective aims at individual level which helps employees in achieving their personal goals and in return, it enhances the individual contribution to the organisation.
- **Organisational objective** : It assists the organisation with its primary objective by brining individual effectiveness.
- **Functional objective** : It maintains the development's contributions at a level that are suitable to the organisation's needs.
- **Social objective** : it ensures that the organisation is ethically and socially responsible for the challenges and need of the society.

Training is a transforming process that requires some inputs and in return it produces output in the form of knowledge, skills and attitudes. We have regularly identifying the training needs especially for the field staff and also we are initiating actions to cover up the gaps. The training needs assessment is also done through strengthening our business necessities by identifying gaps and design, tailor made programmes to fill the space. The design and execution of staff trainings also involve the handholding of our stakeholders. Training and development is a function of HR management concerned with organisational activity, aimed for betterment of performance of individuals and groups in organisational settings.

Types of training:

As a part of our strategy, the following programmes are undertaken regularly or as required:

- **Orientation training programme for newly recruited Credit Officers:**
It is a two days training programme, arrange for newly required Credit Officers before their joining in the organisation. The programme is initiated mainly to make them enlighten about the organisation, its mission, vision, functions, RBI guidelines, code of conduct and operational guidelines. On their joining at branch, they are on the job training, where they could learn the details about the operational guidelines with handholding support of Senior Credit Officers and Branch Manager.





• **Induction training programme:**

It is a two days training programme for Credit Officers who are on induction/probation for three months, and followed by examination in third day. Those who qualify in the exam will acquire confirmation letter and those who do not clear they need to appear for the exam again after three months.



• **Refresher training programme:**

This type of programme are organised mostly for the field staff to impart training on new product, changes in company's term, modifications in the current product, systems or procedures and also repeat programmes based on field level practices and practical cases and also sessions on time management, communication skill and personality development skills to improve the performance and efficiency of the staff.



• **Specialised programme:**

Specialised programme for field staff are organised considering the need of the hour. Programme organised during the year includes:

• Preventive vigilance for BM/AM and ZMs, Training module was developed and training imparted by M2i Pvt Ltd.

• Outreach Profiling and Base Line Transformation (OPBLT) by EDA Rural systems Pvt Ltd under technical assistance plan of Dia Vikash/ Opportunity International, Australia: The programme was for field staff and internal auditors. EDA Rural also conducted training of trainers for our officials so that our trainer can train our field staff on OPBLT.

• **External training attended by staff:**

Two of our senior management staff had attended IFC Risk Management training for Microfinance Industries organised by IFC with NEDFi.

• **Training on Entrepreneurship development under Dia Vikas assisted EGM Programme:**

Classroom trainings followed by visit to business sight of successful entrepreneurs were imparted to the educated unemployed children of our clients. Supports of faculty, resource person were obtained from Assam Institute of Management and IED, Guwahati. 150 candidates were provided training under the scheme.



Details of training conducted during the year are as under.

Sl. no	Staff Training	Participants
1	Initial Orientation for Newly Required Credit Officers	79
2	Induction Training Programme for Credit Officers	66
3	Refresher Course for Credit Officers	251
4	Preventive Vigilance for BM,AM &ZM	129
5	Outreach Profiling & Baseline Transformation for field staff including BM&ZM(EDA Rural with our trainer)	390
6	OPBLT- TOT by EDA Rural	13
7	IFC Risk Management Training for Microfinance Industries	2
	TOTAL	930





Financial Report (2014-15)

D. PATWARY & CO.
Chartered Accountant

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Independent Auditor's Report

To the Members of RGVN (North East) Microfinance Ltd.

Report on the Financial Statements

We have audited the accompanying financial statements of RGVN (North East) Microfinance Ltd. ('the Company'), which comprise the Balance Sheet as at 31 March 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation and presentation of these 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.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2015 and its profit and its cash flows for the year ended on that date.





Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us:
 - (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 and with the returns received from the branches not visited by us;
 - (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 except recognition and measurement of Leave Encashment. The Company has taken out a group gratuity policy for its employees with LICl and regularly pays premium to LICl based on the demand for premium by LICl. The required present value for past services upto 1st Jan, 2015 was paid to the LICl. The Company has not calculated present value of past services as on the Balance Sheet date. The amount of short provision of Gratuity and Leave Encashment could not be quantified for want of information.
 - (e) on the basis of the written representations received from the directors as on 31 March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act, and
 - (f) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements Refer Note 2.12 to the financial statement;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses and





iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For D. Patwary & Co.

Chartered Accountants

Firm's registration number: 324523E


Deepak Ratwary

Partner

Membership number: 060467

Place: Guwahati

Date: 22nd May, 2015





Annexure to the Independent Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2015, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets. The same needs to be updated completely.
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of one year. In accordance with this programme, fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (ii) The Company is a Non- Banking Financial company (NBFC), primarily giving loans. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(i) of the Order is not applicable.
- (iii) (a) The Company has not granted loans to bodies corporate covered in the register maintained under section 189 of the Companies Act, 2013 (the Act). Consequently, the provisions of iii (b) and iii (c) of the order are not applicable to the company.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and sale of services. The activities of the Company do not involve purchase of inventory and the sale of goods. We have not observed any major weakness in the internal control system during the course of the audit.
- (v) The Company has not accepted any deposits from the public.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities, where applicable.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues were in arrears as at 31 March 2015 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no material dues of sales tax, wealth tax, service tax, duty of customs, duty of excise or VAT or cess which have not been deposited with the appropriate authorities on account of any dispute. However, according





to information and explanations given to us, the following demand from Income tax, has not been deposited by the Company on account of disputes:

Nature of Statute	Nature of dues	Amount in (Rs)	Period to which the amount relates	Forum dispute pending	where is
Income Tax Act.	Tax and Interest	1,05,37,010	FY 2011-12	DCIT (A), Guwahati	

(c) According to the information and explanations given to us no amount was required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules there under.

(viii) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.

(ix) The Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders during the year.

(x) In our opinion and according to the information and the explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.

(xi) The Company has applied the term loan for the purpose for which the loan was obtained.

(xii) According to the information and explanations given to us, there were 4 instances of fraud detected by the management on account of forgery and misappropriation by the company's employees, total amount involved being Rs. 2.25 Lac; out of these, an amount of Rs. 1.80 Lac is reported to have been recovered. The company has filed FIR in one out of these four cases. FMR-3 to Regional office of RBI was not submitted by the company for fraud exceeding Rs.1 Lac.

For **D. Patwary & Co.**

Chartered Accountants

Firm's registration number-324523E


Deepak Ratwary

Partner



Membership number: 060467

Place: Guwahati

Date: 22nd May, 2015

FY 2014-2015



RGVN (NORTH EAST) MICROFINANCE LIMITED

(All amounts in Rs. unless otherwise stated)

Balance Sheet as at 31st March 2015

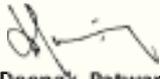
Particulars	Notes	31-Mar-15	31-Mar-14
I. EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	386,523,020	180,110,320
Reserves and surplus	4	479,941,179	154,876,363
		866,464,199	334,986,683
Share Application Money		-	20,000,000
Non-current liabilities			
Long-term borrowings	5	714,265,104	450,239,981
Long term provisions	6	32,263,521	21,144,026
		746,528,625	471,384,007
Current liabilities			
Current liabilities & Provisions	7	1,108,257,644	625,484,655
		1,108,257,644	625,484,655
	Total	2,721,250,468	1,451,855,345
II. ASSETS			
Non-current assets			
Fixed assets	8		
Tangible assets		7,044,196	7,975,956
Intangible assets		1,057,121	1,041,487
Other Non-Current assets	9	18,073,166	8,164,443
		26,174,483	17,181,886
Deferred tax (Asset)		11,269,753	2,389,201
Current assets			
Cash and cash equivalents	10	323,511,965	152,060,250
Loans and advances	11	2,310,959,403	1,252,092,696
Other current assets	12	49,334,864	28,131,312
		2,683,806,232	1,432,284,258
	Total	2,721,250,468	1,451,855,345

Summary of significant accounting policies

1-2

The accompanying notes are an integral part of the financial statements

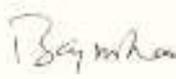
As per our report of even date
for **D. Patwary & Co.**
Chartered Accountants

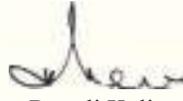

Deepak Patwary
Partner
M. No.: 060467
FRN No. 324523E



Place: Guwahati
Date: 22/05/2015

For and on behalf of the Board of Directors of
RGVN (NORTH EAST) MICROFINANCE LIMITED


Brij Mohan
Chairperson


Rupali Kalita
Managing Director



RGVN (NORTH EAST) MICROFINANCE LIMITED

(All amounts in Rs. unless otherwise stated)

Statement of Profit and Loss for the year ended 31st March 2015

Particulars	Notes	31-Mar-15	31-Mar-14
Continuing Operations			
Revenue from Operation	13	425,417,387	332,297,164
Other Income	14	5,495,964	2,597,809
Total		430,913,351	334,894,973
EXPENDITURE			
Finance Cost	15	160,384,164	150,121,197
Employee Benefits Expenses	16	92,807,842	86,252,941
Other Operating Expenses	17	50,759,088	23,966,632
Depreciation	8	4,421,509	2,384,536
Provisions	18	14,094,782	1,831,505
Total		322,467,384	264,556,811
Profit/(Loss) before Prior Period/Exceptional Items		108,445,967	70,338,162
Exceptional Items		-	-
Profit/(Loss) before tax		108,445,967	70,338,162
Tax expense:			
- Current Tax		41,520,444	23,198,130
- Deferred tax expense/(benefit)		(8,853,538)	(439,900)
Income Tax of Earlier Years		2,241,135	519,862
Total Tax Expense		34,908,041	23,278,092
Profit/(Loss) transferred to Balance Sheet		73,537,926	47,060,070
<u>Earnings per Sahre (of Rs 10/- each)</u>			
Basic			
(i) Continuing operation		2.23	3.05
(ii) Total operation		2.23	3.05
Diluted			
(i) Continuing operation		2.20	3.02
(ii) Total operation		2.20	3.02
<u>Earnings per Sahre (Excluding Extra ordinary items) of Rs 10/- each</u>			
(i) Continuing operation		2.23	3.05
(ii) Total operation		2.23	3.05
(Note:-Company do not have any discontinuing operations)			

Summary of significant accounting policies

1-2

The accompanying notes are an integral part of the financial statements

As per our report of even date

for **D. Patwary & Co.**

Chartered Accountants

Deepak Patwary

Partner

M. No.: 060467

FRN No. 324523E

Place: Guwahati

Date: 22/05/2015

For and on behalf of the Board of Directors of
RGVN (NORTH EAST) MICROFINANCE LIMITED

Brij Mohan
Chairperson

Rupali Kalita
Managing Director



RGVN (NORTH EAST) MICROFINANCE LIMITED

(All amounts in Rs. unless otherwise stated)

CASH FLOW STATEMENT FOR THE YEAR ENDED	31-Mar-15	31-Mar-14
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss)	73,537,926	70,338,162
Add: Non Cash Expenditure:		
Provision for Bad & Doubtful Debts	11,119,495	
Bad debts written-off	2,809,352	-
Provision for fraud & preliminary expenses written off	165,934	
Depreciation	4,421,509	2,384,536
Excess Provision written-back	2,550,898	-
Loss/(gain) on sale of Fixed assets	(95,735)	
Operating Profit before Working Capital Changes	94,509,378	72,722,698
Adjustments for:		
(Increase)/Decrease in Current Assets	(30,488,220)	14,422,171
(Increase)/Decrease in loans disbursed	(1,058,866,707)	(72,322,858)
(Decrease)/Increase in Current Liabilities	25,013,075	(56,562,180)
Cash generated from Operations:	(969,832,474)	(41,740,169)
Direct Taxes Paid	(34,908,041)	(22,894,105)
Net Cash Flow from Operating Activities	(A) (1,004,740,515)	(64,634,274)
CASH FLOW FROM INVESTING ACTIVITIES:		
(Purchase)/Sale of Fixed Assets	(3,592,807)	(1,894,678)
(Purchase)/Sale of Investments	-	(23,864,500)
Net Cash Flow from Investing Activities	(B) (3,592,807)	(25,759,178)
CASH FLOW FROM FINANCING ACTIVITIES:		
Increase/(Decrease) in Share Capital & securities premium	458,000,000	70,000,000
Increase/(Decrease) in Secured Loans	721,785,038	(95,203,289)
Net Cash Flow from Financing Activities	(C) 1,179,785,038	(25,203,289)
Net Increase or (Decrease) in Cash or Cash Equivalents (A+B+C)	171,451,716	(115,596,741)
Opening Cash and Cash Equivalents	152,060,250	267,656,992
Closing Cash and Cash Equivalents at the end of the year	323,511,966	152,060,251
Summary of significant accounting policies	1-2	

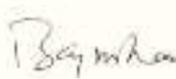
The accompanying notes are an integral part of the financial statements

As per our report of even date
for **D. Patwary & Co.**
Chartered Accountants


for **D. Patwary & Co.**
Partner
M. No.: 060467
FRN No. 324523E
Deepak Patwary
Partner



For and on behalf of the Board of Directors of
RGVN (NORTH EAST) MICROFINANCE LIMITED


Brij Mohan
Chairperson


Rupali Kalita
Managing Director



RGVN (NORTH EAST) MICROFINANCE LIMITED

(All amounts in Rs. unless otherwise stated)

Notes Forming Part Of Balance Sheet And Statement Of Profit And Loss For The Year Ended March 31, 2015

Particulars	31-Mar-15	31-Mar-14
3 Share Capital		
Authorized:		
100,000,000 Equity Share of Rs.10 Each	1,000,000,000	250,000,000
Total	1,000,000,000	250,000,000
Issued, Subscribed and paid up:		
(38,652,302 Equity Shares of Rs.10/- each fully paid up in cash)	386,523,020	180,110,320
Total	386,523,020	180,110,320

(a) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:

Equity shares	As at March 31, 2015		As at March 31, 2014	
	Number	Amount	Number	Amount
Shares at the beginning of the year	18,011,032	180,110,320	15,110,800	151,108,000
Shares issued during the year	20,641,270	206,412,700	2,900,232	29,002,320
Outstanding at the end of the period	38,652,302	386,523,020	18,011,032	180,110,320

There was no issue of bonus shares/buy back of shares during the year and in the previous year.

(b) Rights, preferences, restrictions of Equity Share Capital

The Company has only one class of equity shares of the par value of Rs. 10 each and each share is entitled to one vote per share.

(c) Details of shareholders holding more than 5% shares in the company

Name of the Shareholder	As at March 31, 2015		As at March 31, 2014	
	% of holding	No. of shares	% of holding	No. of shares
Dia Vikas Capital (p) Ltd	29.81%	11,521,095	49.42%	8,900,232
North Eastern Development Finance Corporation Ltd (NEDFi)	7.76%	3,000,000	16.66%	3,000,000
Small Industries Development Bank of India	12.94%	5,000,000	16.66%	3,000,000
Mutual Benefit Trusts (7 No.)	5.33%	2,060,800	11.44%	2,060,800
Brahmaputra Community Development Trust	-	-	5.55%	1,000,000
Norway Microfinance Initiative (NMI)	19.01%	7,346,939	-	-
Oiko Credit Ecumenical Development Cooperative Society	19.85%	7,673,469	-	-
Total	94.70%	36,602,303	99.72%	17,961,032

Boyanan Dew





RGVN (NORTH EAST) MICROFINANCE LIMITED

(All amounts in Rs . unless otherwise stated)

Notes Forming Part Of Balance Sheet And Statement Of Profit And Loss For The Year Ended March 31, 2015

4	Reserves and Surplus	31-Mar-15	31-Mar-14
4.1	Share premium		
	Balance at the beginning of the year	20,997,680	-
	Add : Additions during the year	251,587,300	20,997,680
	Less: Adjustment / reversal during the year	-	-
	Closing balance (a)	272,584,980	20,997,680
4.2	Statutory reserve		
	Balance at the beginning of the year	32,483,381	8,463,338
	Add : Additions during the year	14,707,585	24,020,043
	Less: Adjustment / reversal during the year	-	-
	Closing Balance (b)	47,190,966	32,483,381
4.3	Surplus/(Deficit) in the statement of Profit & Loss		
	Balance at the beginning of the year	101,395,302	78,355,275
	Add: Additions during the year	73,537,926	47,060,070
	Total	174,933,228	125,415,345
	Less: Adjustment / reversal during the year		
	Transfer to Statutory Reserve	14,707,585	24,020,043
	Adjustment for change in useful life (refer note(a) below)	60,410	-
	Closing Balance (c)	160,165,233	101,395,302
	Total (a+b+c)	479,941,179	154,876,363
	(a) Effective from April 1, 2014, the company has charged depreciation based on the revised remaining useful lives of the fixed assets as per the requirement of schedule II of the Companies Act, 2013. Further as per the transitional provision provided in Note 7(b) of schedule II, An amount of Rs 60410 has been adjusted with the retained earnings for the fixed assets in respect of which the remaining useful life was Nil as on April 1, 2014		
5	Long-term Borrowings	31-Mar-15	31-Mar-14
5.1	Term Loan From Banks (secured)		
	Assam Gramin Vikash Bank (100% Secured with Book Debts & pledge of Rs.60,00,000 FDR)	32,038,610	42,926,838
	IDBI Bank (110% Secured With Book Debts & pledge of Rs.3,50,00,000 FDR)	169,642,849	238,690,449
	Rabo Bank (110% Secured With Book Debts & Guarantee of Rabo Foundation)	54,500,000	37,500,000
	Ratnakar Bank (109% Secured With Book Debts & pledge of Rs.1,00,00,000 FDR)	75,000,000	-
	State Bank of India (100% Secured With Book Debts & pledge of Rs.3,00,00,000 FDR)	300,000,000	25,000,000
	UCO Bank (100% Secured With Book Debts & pledge of Rs.1,00,00,000 FDR)	53,547,807	79,999,750
	Central Bank of India	-	7,500,000
	Total	684,729,266	431,617,037
5.2	Term Loan From Domestic Financial Institutions(secured)		
	NEDFi (100% Secured With Book Debts & pledge of Rs.7,00,00,000 FDR)	314,520,180	286,950,698
	SIDBI (100% Secured With Book Debts & pledge of Rs.56,26,000 FDR)	189,374,990	74,582,000
	Total	503,895,170	361,532,698
5.3	Term Loan From Non-Banking Finance Company (secured)		
	IFMR Capital Investments Pvt Ltd (100% Secured With Book Debts & pledge of Rs.2,50,00,000 FDR)	264,592,891	-
	Manaveeya Development & Finance Pvt Ltd (100% Secured With Book Debts)	66,664,333	133,329,665
	Reliance Home Finance Ltd (100% Secured With Book Debts & pledge of Rs.93,75,000 FDR)	112,472,357	-
	Reliance Capital Ltd (100% Secured With Book Debts & pledge of Rs.1,00,00,000 FDR)	58,392,241	-
	Dia Vikas Capital (Unsecured)	24,427,270	54,409,090
	Total	526,549,092	187,738,755
5.4	From External Commercial Borrowing (Unsecured)		
	Cordaid	37,500,000	50,000,000
	Total	37,500,000	50,000,000
	Less: Current maturities of long-term debt		
	- from Banks, NBFCs and DFIs	1,038,408,424	580,648,509
		1,038,408,424	580,648,509
	Total Term Loans	714,265,104	450,239,981



Signature



RGVN (NORTH EAST) MICROFINANCE LIMITED

(All amounts in Rs. unless otherwise stated)

Notes Forming Part Of Balance Sheet And Statement Of Profit And Loss For The Year Ended March 31, 2015			
6	Long Term Provisions	31-Mar-15	31-Mar-14
	Contingent Provisions against Standard Assets	28,573,486	15,441,830
	Contingent Provisions against Sub Standard Assets	124,777	209,606
	Provision for Non Performing Assets (NPA)	3,565,258	5,492,590
	Total	32,263,521	21,144,026
7	Other current liabilities & Provisions	31-Mar-15	31-Mar-14
	Current maturities of long term-debt	1,038,408,424	580,648,509
	Interest accrued and due on borrowings	8,551,076	5,370,986
	Statutory liabilities	2,221,961	782,715
	Expenses payable & Sundry Receipts	17,276,547	15,263,693
	Provisions for Income Tax	41,520,444	23,198,130
	Provisions for Fraud	279,192	220,621
	Total	1,108,257,644	625,484,654
9	Non Current Assets	31-Mar-15	31-Mar-14
	Deposits	362,370	353,810
	Other Non Current Assets	17,710,796	7,810,633
	Total	18,073,166	8,164,443
10	Cash and cash equivalents	31-Mar-15	31-Mar-14
	Cash on hand	868,519	462,610
	Balances with banks		
	In Current accounts with scheduled banks	42,642,947	17,909,640
	In Term deposit accounts scheduled banks	70,000,000	-
	Margin Money Deposited to Bank (lien against loan- matured within)		
	Within Three Months		
	Pledge with	Rs.	
	North Eastern Development Finance Corporation Ltd (NEDFi)	7,000,000	133,688,000
	IDBI Bank	10,000,000	
	From Three to Twelve months		
	IDBI Bank	15,000,000	
	North Eastern Development Finance Corporation Ltd (NEDFi)	31,000,000	
	Reliance Capital Ltd	10,000,000	
	More Than Twelve months		
	Assam Gramin Vikash bank	6,000,000	
	IDBI Bank	10,000,000	
	IFMR Capital Investments Pvt Ltd	25,000,000	
	North Eastern Development Finance Corporation Ltd (NEDFi)	31,000,000	
	Ratnakar Bank Ltd	10,000,000	
	Reliance Home Finance Ltd	9,375,000	
	State Bank of India	30,000,000	
	SIDBI	5,625,500	
	UCO Bank	10,000,000	
	Total	323,511,966	152,060,250
11	Loans and Advances	31-Mar-15	31-Mar-14
	Unsecured loans		
	Loans to members	2,291,001,083	1,243,156,205
	House Owner's Loan	34,590	215,161
	RGVN ESOP Trust	10,000,000	-
	Staff Loans and Other loans	9,923,730	8,721,330
	Total	2,310,959,403	1,252,092,696
12	Other Current Assets	31-Mar-15	31-Mar-14
	Interest Accrued But Not Due on Investments	19,611,705	19,321,619
	Advance Income Tax	24,000,000	7,000,000
	TDS Receivable	3,835,960	1,339,495
	Other Receivables	1,887,198	470,198
	Total	49,334,863	28,131,312



B. S. Sharma



RGVN (NORTH EAST) MICROFINANCE LIMITED

(All amounts in Rs . unless otherwise stated)

Notes Forming Part Of Balance Sheet And Statement Of Profit And Loss For The Year Ended March 31, 2015		
	31-Mar-15	31-Mar-14
13 Revenue from operations		
Interest Income		
Interest income on portfolio loans	378,328,820	301,496,763
Administrative Charges	30,871,020	17,281,335
	<u>409,199,840</u>	<u>318,778,098</u>
Income from Other operations		
Interest on Long Term Deposits	14,366,309	13,519,066
Interest on Short Term Deposits	1,851,238	-
Total	425,417,387	332,297,164
14 Other Income		
Miscellaneous Receipts	83,502	1,222,431
Reimbursement of Insurance Expenses	1,909,400	382,902
Interest on employee loans	663,969	678,544
Recovery of Prior Period Written off amount	192,460	313,932
Profit on Sale of Assets	95,735	-
Balances Written Back	2,550,898	-
Total	5,495,964	2,597,809
15 Finance Cost		
Interest Expenses		
- Banks	58,157,985	58,020,180
- Financial Institutions	42,361,096	42,356,134
- Non Banking Finance Company	42,104,193	36,076,856
- External Commercial Borrowing	6,317,382	6,923,716
Loan Processing Fee on Term Loans	9,981,800	5,431,293
Bank Charges	1,461,708	1,313,018
Total	160,384,164	150,121,197
16 Employee Benefit Expenses		
Employee Salaries		
-Managing Director	1,357,680	1,193,040
-Other Employees	76,669,872	70,890,588
Employee Allowances and Incentives		
-Managing Director	240,000	-
-Other Employees	4,459,344	4,056,859
Contribution to Provident Fund	5,080,941	5,204,463
Insurance(Accident & Medclaim)	959,989	517,761
Leave Enchisement	407,404	937,772
Recruitment & Training Expenses	2,124,697	1,168,290
Gratuity Expenses for the current year	1,507,915	2,284,168
Total	92,807,842	86,252,941
17 Other Operating Expenses		
Traveling and Conveyance Expenses	4,153,746	4,455,194
Rent, Rates and taxes	15,498,295	8,110,614
Auditors' Remuneration		
Audit Fee	236,059	207,307
Member Awareness Expenses	249,720	-
Meeting Expenses	2,647,125	1,338,573
Printing & Stationery	3,114,517	2,628,118
Telephone Expenses	604,827	560,618
Donations	377,100	174,001
Electricity Expenses	675,921	816,327
Software Programme Expenses	793,218	951,714
Repairs & Maintenance	1,411,040	1,610,742
Consultancy Expenses	17,904,930	1,606,604
Office Maintenance & General Expenses	267,439	304,535
General Expenses	2,825,151	1,202,288
Total	50,759,088	23,966,635



Signature



RGVN (NORTH EAST) MICROFINANCE LIMITED

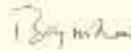
(All amounts in Rs . unless otherwise stated)

Notes Forming Part Of Balance Sheet And Statement Of Profit And Loss For The Year Ended March 31, 2015

18	Provisions and Written Off	31-Mar-15	31-Mar-14
	Provision for non-performing assets	(1,927,332)	800,417
	Provision for Sub standard	(84,828)	-
	Contingent provision against standard assets	13,131,656	923,725
	Provision for fraud	58,571	-
	Preliminary and Pre-Operative Expenses	107,363	107,363
	Portfolio written-off	2,809,352	-
	Total	14,094,782	1,831,505

19 Comparatives

The previous year figures are regrouped /rearranged to confirm to current year presentation.









Note:8

Depreciation As per Companies Act 2013

Description	Gross block				Depreciation				Net block		
	As at 31.03.2014	Additions	Deduction	Adjustments	As at 31.03.2015	As at 31.03.2014	For the Year	Deduction/ Adjustments	Upto 31.03.015	As at 31.03.2015	As at 31.03.2014
Tangible Assets:											
Furniture & Fixtures	6,899,468	709,293	177,837	-	7,430,924	2,833,000	1,221,944	-	4,054,944	3,375,980	4,066,468
Vehicles	1,080,114	1,809,103	185,147	-	2,704,070	677,047	268,615	-	945,662	1,758,408	403,067
Office Equipments	2,914,754	244,639	-	-	3,159,393	993,051	1,369,073	-	2,362,124	797,269	1,921,703
Computer & Software	2,771,189	595,690	-	87,424	3,279,455	1,447,619	968,147	-	2,415,766	863,689	1,323,570
Generator Set	436,185	39,400	-	-	475,585	194,809	48,381	-	243,190	232,395	241,376
Bicycle	45,934	-	-	-	45,934	26,163	3,316	-	29,479	16,455	19,771
Total: I	14,147,644	3,398,125	362,985	87,424	17,095,360	6,171,689	3,879,475	-	10,051,164	7,044,196	7,975,955
Intangible Assets:											
Goodwill	2,500,000	-	-	-	2,500,000	1,500,000	500,000	-	2,000,000	500,000	1,000,000
website	41,487	-	-	-	41,487	-	8,297	-	8,297	33,190	41,487
Software	-	557,667	-	-	557,667	-	33,736	-	33,736	523,931	-
Total: II	2,541,487	557,667	-	-	3,099,154	1,500,000	542,033	-	2,042,033	1,057,121	1,041,487
Grand Total (I+II)	16,689,131	3,955,792	362,985	87,424	20,194,514	7,671,689	4,421,509	-	12,093,198	8,101,317	9,017,442

Boyan *Shaw*





Notes Forming Part of Balance Sheet And Statement of Profit And Loss For The Year Ended March 31, 2015

1. NOTES ON BUSINESS ACTIVITIES

RGVN(North East) Microfinance Limited is engaged in microfinance lending activities for providing financial services to poor specially Woman(referred as 'members') in the rural areas of North east who are organized as Self Help Group(SHG), Joint Liability Groups (JLG). The company provides small value collateral free loans for income generation to poor women in groups.

All financial transactions are conducted in group meetings organized near the habitats of these women. The operations, in group formation, involves efforts on development training on financial discipline, and constant monitoring through weekly meetings, and providing financial and support services at the doorsteps of the borrowers to ensure high rates of recovery.

The company provided individual loans to the existing members for income generation activities. These loans are generally given to members who completed a minimum of three cycle of loan under JLG/SHG.

The Company has also tied up with Insurance Companies to act as Group Insurance Manager for providing Credit link Insurance to its members.

2. SIGNIFICANT ACCOUNTING POLICIES:

2.1. Basis of Preparation of Financial Statements

2.1.1. The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The financial statements have been prepared to comply in all material respects with accounting standards notified under section 133 of the companies Act , 2013, read together with paragraph 7 of the companies (Accounts) Rules, 2014. The financial statements have been prepared under historical cost convention and on accrual basis. The accounting policies adopted in the preparation of financial statements are consistent with those used in the previous year, except for the changing accounting policy explained below.





2.1.2. Changing Accounting Policy:

2.1.2.1. Depreciation on fixed assets:

Till the year ended 31 March 2014, schedule XIV to the Companies Act, 1956, Prescribed requirements concerning depreciation on fixed assets. From the current year, schedule XIV has been replaced by schedule II to the Companies Act, 2013. The applicability of schedule II has resulted in the following changes relating to depreciation on fixed assets. Unless stated otherwise, the impact mentioned from the current year is likely to hold good for the future years also.

2.1.2.2. Useful lives/ depreciation rates:

Till the year ended 31 March 2014, Depreciation rates prescribed under schedule XIV were treated as minimum rates and the company was not allowed to charge depreciation rates even such lower rates were justified by the estimated useful life of the asset. Schedule II to the Companies Act, 2013 prescribes useful life of fixed assets which, in many cases, are different from life prescribe under the erstwhile schedule XIV. However schedule II allows companies to use higher/lower useful life and residual value if such useful lives and residual value can be technically supported and justification for difference is disclosed in the financial statements

Considering the applicability of schedule II to the Companies Act 2013, the management has re-estimated useful lives and residual values of all its fixed assets and accordingly the depreciation charge for the year is higher by Rs20.50lacs as compared to the previous year rates. Further based on the transitional provision provided in note 7(b) of schedule II an amount of Rs 60,410 has been adjusted with retained earnings and Rs 27014 from deferred tax. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and the residual lives of fixed assets.

2.1.2.3. Depreciation on fixed assets is calculated on written down value basis using the rates arrived at based on the useful lives estimated by the management which is in line with the useful lives as mentioned in schedule II to the companies Act 2013. The company has used the following useful lives to provide depreciation on its fixed assets.

Asset Class	Useful Life(years)
Computers	3
Computer Server	6
Vehicles	8
Plant & Machinery	15
Furniture	10
Office Equipment	5





2.2. Revenue Recognition:

- 2.2.1. Interest Income on loans given is recognized under the internal rate of return method. Income on non-performing loans is recognized only when realized and any interest recognized and remaining unrealized on such loans becoming non performing is reversed.
- 2.2.2. Interest income on deposits with banks is recognized on a time proportion accrual basis taking into account the amount outstanding and the rate applicable.
- 2.2.3. All other income is recognized on an accrual basis.

2.3. Fixed Assets:

Fixed assets are stated at cost, less accumulated depreciation and impairment if any. The cost of acquisition comprises of purchase price inclusive of duties (net of cenvat/Vat), taxes, including expenses, erection/commission up to the date assets are ready for their intended use.

2.4. Intangible Assets:

Goodwill is amortized over a period of Five years.

2.5. Retirement and other employee benefits:

The Details of Employee benefits are as given below:

2.5.1. Defined Contribution Plan

2.5.1.1. Provident fund: Retirement benefits in the form of monthly contributions are made to the provident fund in accordance with the fund rule and the contribution are charged to the profit & loss account. During the year company have contributed Rs.50, 80,941/- (Previous Year-45, 90,694/- to the provident fund.)

2.5.1.2. Gratuity: Gratuity is a defined benefit obligation and liability is covered under the LIC Gratuity scheme and annual premium is paid every Year. During the year company have Contributed Rs.15, 07,915/- (Previous Year-22, 84,168/-) as gratuity premium.

2.6. Taxation:

Tax expenses comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the income – tax Act, 1961. Deferred taxes reflect the impact of current year timing difference between taxable income and accounting income for the year and reversal of timing difference of earlier years.

Deferred tax is measures based on the tax rates and the tax law enacted or substantively enacted at the balance sheet date. Deferred tax asset and deferred tax liabilities are offset. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realised. In situation where the company has unabsorbed depreciation or carry forward tax loses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The company writes down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

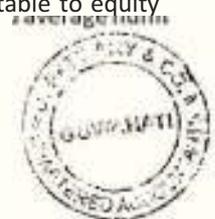
2.7. Cash and Cash Equivalents:

Cash and cash equivalents for the purpose of cash flow statement comprise cash in hand and cash at bank.

2.8. Earnings Per Share

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

Diluted Earnings per share is calculated by dividing the net profit or loss for the period attributable to equity





shareholders by weighted average number of equity shares outstanding during the period by adjusting for the effects of all delusive potential equity shares.

2.9. Provisions

Provisions are recognized when the company has present legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation.

2.10. Prior Period and Extra Ordinary Items

Prior Period items and extra Ordinary items having material impact on the financial statements of the company are disclosed separately.

2.11. Segment information

The company operates in a single reportable segment for the purpose of As 17 on "Segment Reporting" notified under the companies (Accounting Standard) Rules, 2006. The Company operates in North Eastern India.

2.12. Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

'Capital commitments' are future liabilities for capital expenditure in respect of capital contracts having penalty disproportionate to the benefits.

The Income tax department has raised a demand of Rs 1,05,37,010 for the assessment years 2012-13 vide Notice no. AAECR3175J/DCIT/R-3/GHY/2014-15/2379 dated 27/01/2014, towards disallowances relating to Bad Debts Written off, Gratuity Premium, Insurance, Employee' Contribution to PF and Rent. The company has filed appeal against the order. The appeal is pending before CIT (A) Guwahati. The company is of the view that demand is based on wrong facts and figures, and is likely to be deleted; accordingly no provision has been made.

2.13. Classification of Loan Portfolio

The Company follows Prudential Norms of the Reserve Bank of India (RBI) with regard to classification in respect of all loans extended to its customers. Loans where the instalment is overdue for a period of 90 days or more or on which interest amount remained overdue for a period of 90 days or more is treated as Non-performing assets.

Provision is made for loan assets as per the Company's policy which is higher than the provision required under the prudential norms. Classification of Loans and provision made for Standard / sub-standard / NPA assets are as given below:

Classification of Assets	As at March 31, 2015	As at March 31, 2014
Standard (Default: 0 Days)	228,58,78,872	1,235,346,414
Sub-Standard (Default:1-90 Days)	1,247,771	2,096,055
Non-Performing Assets (Default: beyond 90Days)	3,874,440	5,713,736
Total	229,10,01,083	1,243,156,205





2.13.1.1. Provision / Write off for Non-Performing Assets

Provision for Non-performing assets is made in accordance with the following guidelines.

Provision for Loans	As at March 31, 2015		
	As per RBI Guidelines	As per company Policy	Additional Provision
Standard	5,712,652	28,563,258	22,850,606
Sub-Standard	3,119	124,777	121,658
Non-Performing Assets	3,565,258	3,565,258	-
Total	9,281,029	32,253,293	22,972,264

Particulars	2014-15	2013-14
Provision Balance as on 31.03.2015	21,144,026	19,441,897
Amount written off from provision	-	22,013
Provision made	11,109,267	1,724,142
Provision Balance	32,253,293	21,144,026

Loans are provided for as per management's estimates, subject to the minimum provision required as per No - Banking Financial (Non-Deposit Accepting or Holding Companies Prudential Norms (Reserve Bank) Directions, 2007 as amended from time to time

The following loans/debts are expected to liquidate during the FY2015-16:

Bank/Financial Institutions	Original Amount	Balance as on 31.03.2015	Termination Date
North Eastern Development Finance Corporation Ltd	4,00,00,000	19,44,418	31.05.2015
		16,66,664	31.03.2016
	8,00,00,000	1,48,48,488	31.10.2015
		30,30,310	31.01.2016
Maanaveeya Development & Finance Pvt. Ltd	10,00,00,000	83,33,333	10.05.2015
IDBI Bank Ltd	10,00,00,000	1,24,99,993	01.06.2015
	15,00,00,000	5,71,42,856	01.11.2015
Rabo Bank International	5,00,00,000	1,25,00,000	20.08.2015
Reliance Capital Ltd	10,00,00,000	5,83,92,241	01.01.2016
TOTAL	62,00,00,000	17,03,58,303	

2.14. Miscellaneous Expenditure

The expenses shown under miscellaneous expenditure are amortized as follows:

2.14.1. Preliminary & Pre-operative expenses (to the extent not capitalized) are amortized over Ten years.





2.15 Additional information as far as applicable pursuant to part II of schedule III of the Companies Act, 2013

	<u>2014-2015</u>	<u>2013-2014</u>
I) Value of Imports	NIL	NIL
ii) Expenditure in Foreign Currency	NIL	NIL
iii) Earning in Foreign Currency	NIL	NIL

2.16 **Deferred Tax:**

Deferred tax asset for the year was calculated Rs.1, 12, 69,753 which includes the following

Components:-

	<u>2014-15</u>
(a) Difference in Written Down value of Fixed assets as per Income Tax 1961 & Companies Act 2013	8,00,240
(b) Disallowance of provision on loan assets	<u>1,04,69,513</u>
Total	<u>1,12,69,753</u>

2.17 **Earnings per Share**

Particulars	<u>2014-2015</u>	<u>2013-2014</u>
Net Profit after tax as per Profit and Loss A/c	7,29,97,734	4,70,60,070
Weighted average equity -Basic (nos.)	3,29,07,861	1,54,36,579
Weighted average equity -Diluted (nos.)	3,34,83,203	1,60,16,625
Basic earnings per share	2.22	3.05
Diluted earnings per share	2.18	3.02

2.18 **Related Party disclosure**

2.18.1. List of Related Parties is Given Below:

Key Management Personnel Ms. Rupali Kalita, Managing Director

2.18.2 Transactions with Related Parties during the period:

2.18.2.1. Ms. Rupali Kalita

Particulars	<u>2014-2015</u>	<u>2013-2014</u>
Salaries	13, 16,640	11, 52,000
Contribution to Provident Fund	41,040	41,040
Allowances and incentives	240,000	-

2.19. Disclosure Pursuant to Reserve Bank of India Notification DNBS.200/CGM (PK)-2008 dated 1st August 2008.

2.19.1. Capital to Risk Asset Ratio

Particulars	March 2015
Tier I Capital	85,41,37,325
Tier II Capital	2,86,15,686
Total	88,27,53,011
Total Risk Weighted Assets	228,92,54,852
Capital Ratios:	
Tier I Capital as a percentage of Total Risk Weighted Assets (%)	37.31%
Tier II Capital as a percentage of Total Risk Weighted Assets (%)	1.25%
TOTAL CAPITAL (%)	38.56%




2.19.2. Exposure to Real Estate Sector, Both Direct & Indirect

The Company does not have any direct or indirect exposure to the Real Estate Sector as at March 31, 2015

2.20. Disclosure as required under DNBS (PD) CC. No. 300 / 03.10.038/2012-13 dated August 3, 2012.

The Margin Cap of the Company as on 31 March 2015 is below 10%

2.21. Disclosure under section 22 of Micro, Small and Medium Enterprise Development Act 2006

There are no Micro and Small Enterprises, to whom the company owes dues.

2.22. RBI/2012-13/31 DNBS.(PD)CC.No.293/03.10.38/2012-13, dated July 2, 2012

2.22.1.1. The company has disbursed the loan with a rural household annual income not exceeding

Rs.60,000/- or urban and semi-urban household income not exceeding Rs. 1, 20,000/-

2.22.1.2. The maximum loan provided to the borrowers is Rs. 50,000/-

2.22.1.3. The tenure of the loan is more than 24 months for loan amount in excess of Rs.15, 000/- with prepayment without penalty.

2.22.1.4. Loans are collateral free.

2.22.1.5. More than 99% of the loan given for the income generating activities

2.22.1.6. More than 89.69% of the net assets are qualifying in nature.

2.23. Previous year figures have been re-grouped / re-arranged/ re-casted whenever necessary to make them more comparable with Current Years figures.

2.24. There were 4 instances of fraud detected by the management; total amount involved being Rs. 2.25 Lac out of which Rs. 1.80 Lac is reported to have been recovered.

2.25. An amount of Rs.25, 50,898 which comprises of credit balance surrender/maturity amount from BSLI payable to the clients. As the beneficiaries are not traceable management has decided to write it back.





The List of Branch Offices 2014-2015

1	Amguri Ward No-02, P.O-Amguri, Dist-Sivsagar, Assam, Pin-785680	2	Kharupetia VII:Nimtoli,(Khataswar)Mousa-Panchim Saimari, P.S.Dalgaoon,P.O. Ghanasmuli, Kharupetia Assam
3	Beltola Beside Central Nursing Home,Beltola,Survey,Guwahati 781 028	4	Kaki Kaki No-1, P.O-Kaki, P.S-Kaki, Dist-Nagaon, Pin-782442 Assam
5	Birubari Birubari, Sankarpur P.O. Gopinath Nagar, Guwahati-16, Assam	6	Lanka Station Road, ward no-4,P.O-Nagaon,P.S-Nagaon,Pin-782446,Assam
7	Bijoynagar Uparhali,(Bijoynagar)P.O.Uparhali, Kamrup, Pin-781122, Assam	8	Lichubari VIII: Bangal pukhuri Na-all, P.O & P/s-Jorhat, Dist-Jorhat, Pin-785001, Assam
9	Borjhar VIP(Jogipara),P.O Airport, Dist: Kamrup(Metro) Assam, Pin: 781015	10	Malgaoon Boriser Pandu P.S: Jolukbari Guwahati: 781012
11	Borihat Borihat, P.O Amranga,P.S.Palashbari,Dist-Kamrup[R], Pin-781130, Assam	12	Mangaldal VII Nimtoli,P.O-Ghanashimala,P/s-Dalgaoon,Dist-Darrang,Pin-784115
13	Barnihat Borihat,P.O Borihat,Dist-Ri-Bhol,Meghalaya	14	Morigaon Morigaon Tazari(Near Central Bank), P.O Morigaon, P.s. Morigaon, Dist-Morigaon, Pin-782105, Assam
15	Borka Bhuktabari (Dhulia toI, College Road), P.O Pub Borka, P.S.Kamalgaur, Dist-Kamrup[R], Pin-781101, Assam	16	Moriani Dhodar All Path, P.O & P.S. Moriani,Assam
17	Baihata Chariali Nagaon,Baihata Chariali, P.S.Baihata Chariali,Dist -Kamrup Pin-781360	18	Missamari Patidori Bherala,(Garubandha), P.O. Misamari, Sonitpur-784506
19	Bezera VII & P.O: Bezera, Dist: Kamrup (R) Assam, Pin: 781121	20	Matia Near AGBV, Matia, P.O-Matia, Dist-Goalpara, Pin-783125
21	Balpara Balpara,P.O.Balpara,Sonitpur-784101	22	Moran Lachit Nagar, P.O & P.S. Moranhat, Dist-Dibrugarh, Assam
23	Bihpuria VII: Jamuguri, P.O: Jajpup & P.S: Bodoli, Dist: Lakhimpur, Assam, Pin: 784162	24	Mikirveta Mikirveta: VII: Habibarangabari, P.O-Habibarangabari, P/s-Mikirveta, Dist-Morigaon, Pin-782108, Assam
25	Biswanath Chariali K.K path, Ward No-5, Santipur, P.O-Biswanath Chariali,P.S-Biswanath Chariali,Pin- 784176, Assam	26	Narengi Narengi Housing Complex Narengi, House No-72, P.O:Narengi, P.S: Nonomati, Guwahati-781026
27	Bongalgaon Begeswaripara,Ward No.3,Bongalgaon, Assam	28	Nongpoh Umlyngkdait, P.O.Nongpoh, Dist,Ri-bhol, Meghalaya
29	Bilasipara Bilasipara, Ward No.8,Dhubri,Pin-783348, Assam	30	Nellie Nellie, House No -4, P.O Nellie, P.S. Jagiroad, Dist-Morigaon, Pin-782410, Assam
31	Bijni Bijni Town,Ward No-3,Garukabari Road, P.O.Bijni, P.S.Bijni,Dist- Chirang,Pin-781350	32	North Guwahati Abhaypur,P.O. College Nagar,North Guwahati, Dist: Kamrup, Pin:781031, Assam
33	Barpeta Road Milan nagar,Barpeta Road, Dist-Barpeta,Pin-781315,Assam	34	Nagaon VII-Horicolong Chariali,P.B-Road,Dist-Nagaon,Pin-782001
35	Bohori Bahari Sabra, P.O.Bahari Hat,ps-Bahari-Tarabari,Dist- Barpeta Assam, Pin-781302	36	North Lakhimpur Bomruia Timala, KB Road, Ward no-5, (Front of bank of Boroda) K.B Road, P.O-Jaisolia, P.S-Lakshmeer, North Lakhimpur, Pin-7871001, Assam
37	Barpeta Town Ambarhatti, PO. & P.S.Barpeta,Assam Pin-781 301	38	Naibari Santipur, Ward No-7, Naibari, Assam(Near Agriculture office)Pin-781353
39	Belsor Belsor Anchalik Krira Sangha, VII: Belsor, P.O: Belsor, Dist: Naibari, Assam, PIN: 781304	40	Nagarbera VII-Doukuchi, P.O. Nagarbera,Dist-Kamrup, Assam
41	Boko Barpeta, P.O.Boko, Dist.Kamrup, Pin-781123	42	Nazira Nazira, ward No-3, Bapuji Path, P.O-Nazira , P.S. Nazira , Dist-Sivsagar, Pin-785685, Assam
43	Borhola VII: Borhola, P.O-Borhola, P/s-Borhola, Dist-Jorhat, Pin-785631, Assam	44	Naharkatia Naharkatia Seujnagar, P.O: Naharkatia P.S: Naharkatia, Dist: Dibrugarh, Assam Pin: 786610
45	Chandrapur Chandrapur, P.O Chandrapur, P.S-Pragjyotishpur, Dist-Kamrup, Pin-781150, Assam	46	Na Kachari Tiruwel Veta, Na Kachari, P.O-Na Kachari, P/s-Na Kachari, Dist-Jorhat Pin-785635, Assam
47	Chalantapara Chalantapara,Dist-Bongalgaon,Pin-783358Assam	48	Naharlagun Bsector(Ward no 25) Civil Hospital Road, P.O&P.S: Naharlagun, Dist:Papumpara Pin: 291110
49	Chapar Debodipi Ward No-7, VII- Raemari P.O:Chapar, Dist: Dhubri, Assam, Pin-783371	50	Chaygaon Alekjari, P.O Chaygaon, P.s. Chaygaon, Dist-Kamrup, Pin-781124, Assam
51	Kampur Kampur pasanjhar, P.O-Kampur, P.s-Kampur Dist-Nagaon, Pin-782426, Assam	52	Darkuchi Village -Darkuchi, P.O Darkuchi, P.S. Darkuchi, Dist-Baska (BTAD), Pin-781376,Assam
53	Kathlatoli Kathlatoli, P.O.Kathlatoli, P.S. Kamrup, Dist-Nagaon, Pin-782427, Assam	54	Dergaon Ward no-4, House No-278, (Near Lahoti Brolol Pump), P.O-Dergaon, P.S-Dergaon Dist-Golaghat Pin-785614, Assam
55	Dhekiajuli LOKD Road, ward no-6, P.O-Dhekiajuli, P.S-Dhekiajuli, Dist-Sonitpur, Pin-784110, Assam	56	Rangpo Chanatar,P.O-Rangpo,P.s-Rangpo,Dist-East,Pin-737132



57	Dhemaji Ward no-2, Station Road, P.O Dhemaji, P.S. Dhemaji, Dist-Dhemaji, Pin-787057, Assam	58	Shillong Nongthymmai,Lumbasuk,Shillong-14, P.O Nongthymmai, P.S. Nongthymmai, Dist-East Khasi hills, Meghalaya
59	Darangiri VII-Kumarpara,P.O-Darangiri,P.S-Rangjuli,Dist-Goalpara,Assam	60	Sonapur Sonapur, 2 No Jyotinagar PO: Sonapur, P.S Sonapur, Dist: Kamrup Assam. PIN:-782402
61	Dhupdhara VII:Dhupdhara,P.O Dhupdhara, P.S Dhupdhara, Dist-Goalpara,Pin-783123. (Near Nikoli College,Dhupdhara)Assam	62	Sualkuchi VII: Sualkuchi, Hospital Road, near Angels School, P.O & P.S: Sualkuchi, Dist: Kamrup Assam. Pin: 781101
63	Demow Demow Sukafa Nagar, P.O. Demow, P.S-Demow, Dist-Sivasagar, Pin-785687, Assam	64	Sipajhar Bhuktabari,(Dakanpara)P.O. & P.S. Sipajhar,Dist-Darrang,Pin-784145
65	Dibrugarh Resident of Milan Nagar,(3ban Phukan nagar),P.O-C.R Building,Dist. P.S.Dibrugarh. Pin-786001 Assam	66	Sarupathar Sarupathar,Ward No.-4,P.O. Sarupathar, Golaghat-785601
67	Dimapur Duncan Bosti, P.O. Dimapur, P.S Dimapur, Dist-Dimapur, Pin-797112, Nagaland	68	Sarthebari Sarthebari Saptahik Bazar,P.o-Sarthebari,P.S-Sarthebari,Dist-Bameta Assam
69	Goreswar Robindra Nagar,Goreswar,Dist -Kamrup,Assam	70	Simaloguri Simaloguri,Ward no-2,(Simaloguri-Sonari Road)P.O. Simaloguri, Dist-Sivasagar. Pin:785686
71	Golaghat Amolapatty,Oppsite Gorodia Engineering Work,Dhodor. At P.S.Golaghat Town -Golaghat. Dist -Golaghat	72	Sivasagar NA-AL1, P.O & P.S: Sivasagar, Dist:- Sivasagar, Assam, Pin: 785640
73	Gohpur Gohpur- Ward No-2 P.O&P.S: Gohpur Dist: Sonitpur, Assam	74	Sensowa VII: Sensowa,PO: Sensowa,p/s:Nagaon(Sayari),Dist: Nagaon,Pin:782010
75	Gogamukh Hoinpara Chetia,Mouza - Bardoloi,P.O.Gogamukh,P.S.Gogamukh,Dist-Dhemaji	76	Singtam Adarsh Busty,P.o-Singtam,P-s-Singtam, Dist-South,Pin-737134,Sikkim
77	Gouripur Ward no -3, P.O Gouripur, P.S. Gouripur, Dist-Dhuburi, Assam Pin-763311	78	Tamulpur Charangbari,P.O& P.S.Tamulpur,Dist-Baska,(BTAD),Pin-781367
79	Goalpara Bepuj nagar,Baladman,Dist-Goalpara,Pin-783121	80	Tangla Ward no -4, Tangla town, Mouza-Dakua, Dist -Udaiguri, BTAD, Assam
81	Gaurisagar Dikhowmukh Road, Gaurisagar, P.O&P.S: Gaurisagar, Dist: Sivasagar Assam Pin-785664	82	Teok Teok Goalgaon imail, P.O. Teok, P.S.Teok, Dist-Jorhat, Pin-785112, Assam
83	Gangtok Tashi Building,Lower Pani House,Indira bye pass,P.o-Tadong,Gangtok-737102	84	Titabar Titabar Timal, Ward No-2, Titabar,Dist -Jorhat, Pin-785630,
85	Hojai Dakshin Vidya Nagar, P.O Aamola, P.S. Hojai, Dist-Nagaon, Block-Dharmakuluri, Assam	86	Tezpur VII-Bansah Bemun Chuburi, P.O-Nagaon, P.S-Tezpur, Dist-Sonitpur, Pin-786001 Assam
87	Itanagar Opposite SBI, Itanagar Bank Timal,P.O Itanagar, P.S. Itanagar, Dist Anupchal Pradesh,Pin 291111	88	Tihu Address: Ward No. 04 P.O. Tihu, Dist: Nalbari: Assam, Pin: 781371
89	Jagiroad VIII: Markangkuchi, P.O Jagiroad, P.S Jagiroad, Dist: Morigaon, Assam. PIN:-782410	90	Tinsukia Bordoloi Nagar, Anudol path (Near Civil Hospital), P.O: Tinsukia, Dist: Tinsukia, Assam. Pin: 786126
91	Jorhat Address: Tarajan Brahmingaon, P.O & P.S: Jorhat, Dist: Jorhat, Assam. Pin: 785001	92	Zoo Road House No-21,Bye lane no-11,Near HDFC Bank,Zoo road Timal,P.O-Zoo Road P.S-Geehanagar. Pin-781024
93	Jakhlabandha Gomotha gaon, Kuwaribol,Block-Kolabar,P.S-Kolabar,P.O. Kuwaribol. Pin-782132	94	Namchi Kazbar Namchi South Sikkim,P.O-Namchi,P.S-Namchi,Dist-South Sikkim,
95	Jamugurihat VIII: Hatbor, P.O Jamugurihat, Dist-Sonitpur,Pin-784180, Assam	96	Jorethang Daraigaon, P.O-Jorethang, P.S- Jorethang, Dist -South Sikkim,
97	Jalah Resident Of Jalah P.O&P.S: JalahGhat Pin: 781327 Dist: Baska(BTAD)	98	Silapathar Jonaki Nagar(Silapathar),PO & PS-Silapathar,Dist.Dhemaj(Assam)
99	Khetri Ukubam(Khetri), P.O.Khetri, P.S. Khetri, Dist_Kamrup, Pin-782403, Assam	100	Laluk VII:Laluk, District:LAKHIMPUR,Pin:784160
101	Konha Dimu-Dobok Chariali, P.O: Dobok, P.S: Ranglya, Dist: Kamrup, Assam. Pin: 781380	102	Narayanpur Jakhria(ward no.1)po:-digrong,ps:narayanpur,dist.lakhimpur,pin:784160
103	Pathasala VII: Sundarpur Ward No 10, P.O:Pathasala, Dist: Barpeta Pin:781325	104	Ahatguri Village: Dagaon (Rupaibari), PO: Ahatguri, P.S. Dharamtoi, DISTRICT:Morigaon,
105	Rangia Murara Dhanampur, Rangia, Dist-Kamrup,Assam Pin: 781354	106	Khoirabari VILL/PO: KHOIRABARI, DIST:UDALGURI,Pin:784522,BTAD AREA, ASSAM
107	Raha VII: Tupakuchi, P.O & P.S. Raha, Dist: Nagaon (Assam), Pin: 782103	108	Kalagaon Kalagaon, Near Ramkrishna Krishna Seva Ashram P.O- Kalagaon, PS:-
109	Rampur Babumbari,P.O. Rampur,Dist-Nalbari,Assam	110	Barpathar Jorhatia Gani, 2 No. Ward, Barpathar, P.O-Barpathar, PIN-785602, Dist- Golaghat, Assam
111	Boginodi VII: Boginodi, PS:-Boginodi, Dist-Lakhimpur, Assam, PIN:-787030	112	Borgang VII: borgang, PO:-Borgang, PS:-Borgang, Dist Sonitpur, Pin:784167, State:Assam
113	Dhakuakhana VII: Bailgaon, Ward No-2, opposite Image Auto Service (Dhakuakhana)	114	Bokakhat Bokakhat Ward No.2, Golaghat PO: Bokakhat, PS: Bokakhat Dist: Golaghat
115	Borbhag VII/PO: Kalag, Dist. Nalbari, PIN: 781351, Assam	116	Khowang VII: Khowang Sonowal Gaon, P.O & P.S: Khowang Ghat, Dist: Dibrugarh