

## BOARD'S REPORT

To,  
The Members  
Manappuram Home Finance Private Limited

Your Directors are pleased to present the 6<sup>th</sup> Annual Report on the working of the Company with the Audited Accounts and the Report of the Auditors for the financial year ended March 31, 2016.

### 1. Financial Results at a glance

(Amount in Rs.)

| Description  | 2015-16     | 2014-15    |
|--|-------------|------------|
| Total Revenue  | 98,623,033  | 9,426,605  |
| Profit Before Tax  | -53,803,015 | -5,890,486 |
| Provision for Taxes/Deferred tax   | 0           | 0          |
| Net Profit   | -53,803,015 | -5,890,486 |
| Profit b/f from previous years   | -2,509,879  | 3,380,607  |
| Amount available for appropriations  | -56,312,894 | -2,509,879 |
| Less: Transfer to Special Reserve (Under section 29C of the NHB Act, 1987) | 0           | 0          |
| Less: Proposed dividend tax  | 0           | 0          |
| Balance carried forward to next year                                       | -56,312,894 | -2,509,879 |

During the year under review, the company has started its commercial operation and obtained the business of Rs. 128.57 crores. The total Income from business stands to Rs. 9.16 crores and the income from other sources comes to Rs. 0.70 crores which is in the form of Interest on Fixed Deposits. Paid up capital stood at Rs 100 crores after capital equity infusion of Rs 55 crores during the year. Net Owned Fund (NOF) stood at Rs 94.28 crores as on 31<sup>st</sup> March 2016.

### Outlook for 2016-17

The Company has started its commercial operations in January 2015 to cater to the affordable housing space. During the year 2016-17, the company plans to concentrate on building the infrastructure and arranging the resources required for improving the productivity.

### 2. Dividend

Directors do not recommend any dividend for the year under consideration.

### 3. Raising of Additional Capital

During the year under review, the company has issued 5,50,00,000 equity shares, consequent to the allotment, the paid up capital of the company has increased to Rs. 100,00,00,000/- as on 31<sup>st</sup> March 2016.

For Manappuram Home Finance (P) Ltd.

V. B. Nandakumar  
Chairman

#### 4. Reserves

During the year the company has incurred a loss of around Rs. 538 lakhs, hence has not transferred any amount to Special Reserve as per section 29C of the NHB Act, 1987.

#### 5. Acceptance of Deposits

The company being a non deposit taking Housing Finance Company (HFC) has not accepted public deposit during the year.

#### 6. Compliance with Directions/Guidelines of National Housing Bank (NHB)

Your Company has adhered to the prudential guidelines issued by the National Housing Bank (NHB) under its Directions 2010, as amended from time to time.

Your Company has complied with the Guidelines and Directions issued by the NHB on Investments, Fair Practices Code and Customer Complaints Redressal Mechanism, Know Your Customer (KYC) and Anti Money Laundering Guidelines and other related aspects.

#### 7. Directors

##### Retirement of Directors by Rotation

Mr.V.P.Nandakumar. Director of the company whose period of office is liable to be determination by retirement by rotation and offers himself for reappointment. .

#### 8. Auditors

M/s S. R. Batliboi & Associates, Chartered Accountants, Firm Registration Number- 101049W, TIDEL Park, 6th and 7th Floor - A Block , Module 601, 701-702, No. 4 Rajiv Gandhi Salai, Taramani , Chennai 600 113, India, Limited Liability Partnership (LLP) by registration under the Limited Liability Partnership Act 2008 holding office of statutory auditors are being reappointed as the Auditors of the Company from the conclusion of last Annual General Meeting to the conclusion of 9<sup>th</sup> Annual General Meeting of the Company.

#### 9. Director & KMP changes

Mr. Gautam Saigal, appointed as an additional Director on 13.05.2015 and his appointment as Director was confirmed at the Annual General Meeting held on 5<sup>th</sup> August 2015. Further Mr. Vipul Patel, appointed as Chief Financial Officer w.e.f. 01.03.2016

#### 10. Declaration from Independent Directors

The Company has received necessary declaration from each Independent Director of the Company as per Section 149(7) of the Companies Act, 2013 that the Independent Directors of the Company meet with the criteria of their Independence laid down in Section 149(6).

#### 11. Number of meetings of the Board

Board has met six times during the year and the dates are as follows

|            |            |
|------------|------------|
| 13/05/2015 | 04/11/2015 |
| 13/08/2015 | 11/02/2016 |
| 21/08/2015 | 10/03/2016 |

For Manappuram Home Finance (P) Ltd.

X V. P. Nandakumar  
Chairman

12 Disclosure on Composition of Audit Committee

| Sl No | Name of the Director | Position | Category                    |
|-------|----------------------|----------|-----------------------------|
| 1     | Shailesh J Mehta     | Chairman | Non Executive & Independent |
| 2     | Gautam Saigal        | Member   | Non Executive               |
| 3     | T.Balakrishnan       | Member   | Non Executive & Independent |

13. Disclosure as per Section 134 (3)

The extract of the annual return as provided under sub-section (3) of section 92 is attached as Annexure 1

14. Policy on Board Composition, Compensation & Evaluation Criteria & Related Disclosure

The Board of Directors has adopted a policy on directors appointment and remuneration for directors, KMP and other employees including criteria for determining qualification, positive attributes, and independence of directors as laid down by the nomination and remuneration committee of the board which is attached to this report as Annexure II. The Board has also adopted some criteria for evaluating its own performance and of its committees and individual directors viz as Structure & Composition, extent of fulfilment of duties & key responsibilities, Board process, information & functioning, effectiveness of meeting, relationship with Board & management, attendance, Professional Conduct, Duties, Role & functions, contribution to the Board, Committee & management.

15. During the year 2015-16, your Company has not provided/made any loan, guarantee as per section 186 of the Companies Act 2013.

16. During the year 2015-16, your Company has not received any qualification, reservation or Adverse remark or disclaimer made by the auditor in his report;

17. PARTICULARS OF CONTRACTORS AND ARRANGEMENT WITH RELATED PARTIES

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were on an arm's length basis.

18. Material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report; NIL

19. Conservation of energy, technology absorption, foreign exchange earnings and outgo, in such manner as may be prescribed; NIL

20. STATEMENT ON RISK MANAGEMENT POLICY

The Company has a Board approved Risk Management Policy wherein all material risks faces by the Company viz. Credit Risk, Operational Risk, Regulatory Risk, Price and Interest rate Risk are identified and assessed. Risk Management Department headed and managed by competent professionals for identification, assessment and managing/mitigating risk related issues across the organization. For each

For Manappuram Home Finance (P) Ltd.

X V. P. Nandakumar  
Chairman

of the Risks identified in the process, corresponding controls are assessed and policies and procedure are put in place for monitoring, mitigating and reporting risk on a periodic basis.

21 During the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

## 22. The Directors' Responsibility Statement

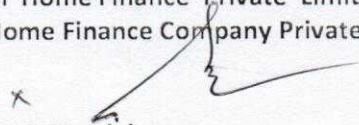
As required under clause (c) of sub-section (3) Section 134 of the Companies Act, 2013, the Board of Directors hereby declares that :-

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

## 23. Acknowledgement

Your Directors acknowledge and place on record its sincere appreciation and gratitude to the employees of the company at all levels for their dedicated service and commitments, to the National Housing Bank , Governments and its statutory agencies for the support, guidance and co-operation, to the Investors, shareholders Bankers and other financial institutions and customers for the whole hearted support and confidence reposed on the company and the management and to the general public at large for their blessings and good wishes the company has been receiving in good measure over the years.

For and on behalf of the Board of Directors of  
Manappuram Home Finance Private Limited  
[Formerly Milestone Home Finance Company Private Limited]

  
V.P.Nandakumar  
Chairman

Place: Valapad  
Date: May 11, 2016

# ANNEXURE-1

Form No. MGT-9

## EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31.03.16

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

### I. REGISTRATION AND OTHER DETAILS:

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|  |  |
|--|--|
| i) CIN   | :U65923KL2010PTC039179   |
| ii) Registration Date  | 07 <sup>th</sup> October 2010  |
| iii) Name of the Company   | <b>Manappuram Home Finance Private Limited</b><br>(Formerly Milestone Home Finance Company Private Limited)  |
| iv) Category / Sub-Category of the Company                                     | : Home Finance Company   |
| v) Address of the registered office and contact details                        | :IV/470A(Old)W638A(New )<br>Manappuram House<br>P.O Valapad<br>Phone: 3050419/435/413  |
| vi) Whether listed company   | : No   |
| vii) Name, Address and Contact details of Registrar and Transfer Agent, if any | : <b>S.K.D.C.Consultants Limited</b><br>Category I Registrars and<br>Share Transfer Agents<br>Kanapathy Towers, 3 <sup>rd</sup> Floor, 1391/A1,<br>Sathy Road, Ganapathy,<br>Coimbatore – 641 006,<br>Phone: +91 422 6549995, 2539835-836<br>Email: <a href="mailto:info@skdc-consultants.com">info@skdc-consultants.com</a> |

### II.PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

**:- As per Annexure I(A)**

### III.PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

**: As per Annexure 1(B)**

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

|  |  |
|--|--|
| i) Category-wise Share Holding         | : Entire shares are held by the holding Company - Manappuram Finance Limited |
| ii) Share holding of Promoters         | : Nil  |
| iii) Change in Promoters' Shareholding | : As Per Annexure I(C)   |

**iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) : Nil**

**v) Shareholding of Directors and Key Managerial Personnel : Nil**

#### **V. INDEBTEDNESS**

**Indebtedness of the Company including interest outstanding/accrued but not due for payment : Annexure 1(D)**

#### **VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

**B. Remuneration to other directors : As Per Annexure I (E)**

**C. Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD : As Per Annexure I (F)**

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES : Nil**

Annexure 1(A) **PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

**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)

| S. No. | Name and Description of main products / services | NIC Code of the Product/service | % to total turnover of the company |
|--------|--|---------------------------------|------------------------------------|
| 1      | Housing Loan                                     | 8012                            | 100%                               |

Annexure 1(B) **PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

| SN | Name and address of the Company              | CIN/GLN               | Holding/ Subsidiary/ Associate | % of shares held | Applicable Section |
|----|--|-----------------------|--------------------------------|------------------|--------------------|
| 1  | Asirvad Micro Finance Private Limited        | U65923TN2007PTC064550 | Associate                      | Nil              |                    |
| 2  | Manappuram Insurance Brokers Private Limited | U66010KL2002PTC015699 | Associate                      | Nil              |                    |
| 3  | Manappuram Finance Limited                   | L65910KL1992PLC006623 | Holding                        | 100%             |                    |

Annexure 1(c)

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

| SN | Particulars                  | Date       | Reason                | Shareholding at the beginning of the year |                   | Cumulative Shareholding during the year |                   |
|----|------------------------------|------------|-----------------------|---|-------------------|---|-------------------|
|    |                              |            |                       | No. of shares                             | % of total shares | No. of shares                           | % of total shares |
|    | At the beginning of the year |            |                       | 4,50,00,0000                              | 100%              | 4,50,00,0000                            | 100%              |
|    | Changes during the year      | 21/01/2016 | Right issue allotment | 2,50,00,000                               |                   | 7,00,00,000                             |                   |
|    |                              | 31/03/2016 | Right issue allotment | 3,00,00,000                               |                   | 10,00,00,000                            |                   |
|    | At the end of the year       |            |                       |   |                   | 10,00,00,000                            |                   |

## Annexure 1(D)

### V. INDEBTEDNESS

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

(Amt. Rs./Lacs)

| Particulars  | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|----------------------------------|-----------------|----------|--------------------|
| <b>Indebtedness at the beginning of the financial year</b> |                                  |                 |          |                    |
| i) Principal Amount  | -                                |                 |          | -                  |
| ii) Interest due but not paid                              |                                  |                 |          | -                  |
| iii) Interest accrued but not due                          |                                  |                 |          | -                  |
| <b>Total (i+ii+iii)</b>                                    | -                                | -               | -        | -                  |
| <b>Change in Indebtedness during the financial year</b>    |                                  |                 |          |                    |
| * Addition   | 14,750.00                        |                 |          | 14,750.00          |
| * Reduction  | (7,750.00)                       |                 |          | (7,750.00)         |
| <b>Net Change</b>  | <b>7,000.00</b>                  | -               | -        | <b>7,000.00</b>    |
| <b>Indebtedness at the end of the financial year</b>       |                                  |                 |          |                    |
| i) Principal Amount  | 7,000.00                         |                 |          | 7,000.00           |
| ii) Interest due but not paid                              | -                                |                 |          | -                  |
| iii) Interest accrued but not due                          | -                                |                 |          | -                  |
| <b>Total (i+ii+iii)</b>                                    | <b>7,000.00</b>                  | -               | -        | <b>7,000.00</b>    |

(Amt.  
Rs./Lacs)



**Annexure 1(E)****VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****B. Remuneration to other Directors**

| SN. | Particulars of Remuneration                | Name of Directors     |                               |                        | Total Amount |
|-----|--|-----------------------|-------------------------------|------------------------|--------------|
|     |  |                       |                               |                        | (Rs/Lac)     |
| 1   | Independent Directors                      | Mr.T.Balakrishnan     | Mr.Nandakumaran<br>Puthezhath | Mr.Shailesh J<br>Mehta |              |
|     | Fee for attending board committee meetings | 200000                | 180000                        | 210000                 | 590000       |
|     | Commission                                 | -                     | -                             | -                      | -            |
|     | Others, please specify                     |                       |                               |                        | -            |
|     | Total (1)                                  | 200000                | 180000                        | 210000                 | 590000       |
| 2   | Other Non-Executive Directors              | Sumitha<br>Jayasankar | Gautam Saigal                 | I.Unnikrishnan         | --           |
|     | Fee for attending board committee meetings | 150000                | 195000                        | 40000                  | 385000       |
|     | Commission                                 | -                     | -                             | -                      | -            |
|     | Others, please specify                     | -                     | -                             | -                      | -            |
|     | Total (2)                                  | 150000                | 195000                        | 40000                  | 385000       |
|     | Total (B)=(1+2)                            | 350000                | 375000                        | 250000                 | 975000       |
|     | Total Managerial Remuneration              |                       |                               |                        | -            |
|     | Overall Ceiling as per the Act             |                       |                               |                        |              |

**Annexure 1(F)****C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD**

| SN. | Particulars of Remuneration   | Name of Key Managerial Personnel |                   |        | Total Amount<br>(Rs/Lac) |
|-----|---|----------------------------------|-------------------|--------|--------------------------|
|     |   | Name                             |                   |        |                          |
|     | Designation   | CEO                              | Company Secretary | CFO*   |                          |
| 1   | Gross salary  | 4962436                          | 1288677           | 249050 | 65,00,163                |
|     | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 |                                  |                   |        | -                        |
|     | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             |                                  |                   |        | -                        |
|     | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961             |                                  |                   |        | -                        |
| 2   | Stock Option  |                                  |                   |        | -                        |
| 3   | Sweat Equity  |                                  |                   |        | -                        |
| 4   | Commission  |                                  |                   |        |                          |
|     | - as % of profit  |                                  |                   |        | -                        |
|     | - others, specify   |                                  |                   |        | -                        |
| 5   | Others, please specify  | 1000000                          |                   |        | -                        |
|     | Total   | 59,62,436                        | 1 2,88,677        | 249050 | 75,00,163                |

**INDEPENDENT AUDITOR'S REPORT**

To the Members of Manappuram Home Finance Private Limited

**Report on the Financial Statements**

We have audited the accompanying financial statements of Manappuram Home Finance Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with 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 of 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 the design, implementation and maintenance of adequate internal financial control 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.

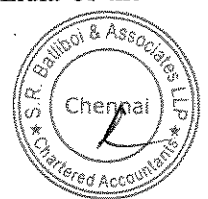
**Auditor's Responsibility**

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, issued by the Institute of Chartered Accountants of India, as 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 disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of 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 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



# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

state of affairs of the Company as at March 31, 2016, its loss, 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, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion proper as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the 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 and;
  - (e) On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report; and
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



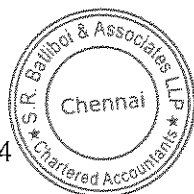
**per Bharath N S**

Partner

Membership Number: 210934

Place of Signature: Chennai

Date: May 11, 2016



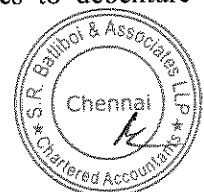
# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

**Annexure 1 referred to in paragraph 1 under the heading “Report on other legal and regulatory requirements” of our report of even date**

**Re: Manappuram Home Finance Private Limited (“the Company”)**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) According to the information and explanations given by the management, there are no immovable properties, included in fixed assets of the Company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.
- (ii) The Company’s business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits from the public.
- (vi) To the best of our knowledge and as explained, the Company is not in the business of sale of any goods. Therefore, in our opinion, the provisions of clause 3(vi) of the Order are not applicable to the Company.
- (vii) (a) Undisputed statutory dues including provident fund, employees’ state insurance, income-tax, service tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases with regard to remittances of service tax, employee’s state insurance, provident fund and professional tax. The provisions relating to customs duty, sales-tax, and value added tax and excise duty is not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees’ state insurance, income-tax, service tax, excise duty, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, there are no dues outstanding of income tax, service tax, and cess which have not been deposited on account of any dispute.
- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of dues to a financial institution or bank. The Company did not have any outstanding dues to debenture holders and government during the year.



# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

- (ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments) and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Act is not applicable to the Company for the current year as there is no managerial person and hence reporting under clause 3(xi) are not applicable and hence not commented upon.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

**For S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



**per Bharath N S**  
Partner



Membership Number: 210934

Chennai

Date: May 11, 2016

**Annexure 2 to the Independent Auditor's Report of Even Date on the Standalone Financial Statements of Manappuram Home Finance Private Limited****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

To the Members of Manappuram Home Finance Private Limited

We have audited the internal financial controls over financial reporting of Manappuram Home Finance Private Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

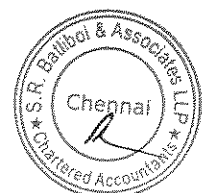
The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial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

**Auditor's Responsibility**

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

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

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



# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

## **Meaning of Internal Financial Controls Over Financial Reporting**

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

## **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

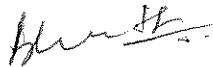
## **Opinion**

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

For **S.R. Batliboi & Associates LLP**

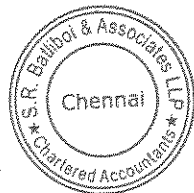
Chartered Accountants

ICAI Firm Registration Number: 101049W / E300004



**per Bharath N S**  
Partner

Membership Number: 210934



Place of Signature: Chennai

Date: May 11, 2016



**Manappuram Home Finance Private Limited**

**Balance Sheet as at March 31, 2016**


(All amounts are in Indian Rupees, unless otherwise stated)

| Particulars                                | Note No. | As at                       | As at                     |
|--|----------|-----------------------------|---------------------------|
|  |          | March 31, 2016              | March 31, 2015            |
| <b>Equity and liabilities</b>              |          |                             |                           |
| <b>Shareholders' funds</b>                 |          |                             |                           |
| Share capital                              | 3        | 1,000,000,000               | 450,000,000               |
| Reserves and surplus                       | 4        | (55,402,254)                | (1,599,239)               |
|  |          | <u>944,597,746</u>          | <u>448,400,761</u>        |
| <b>Non-current liabilities</b>             |          |                             |                           |
| Long-term borrowings                       | 5        | 675,000,000                 | -                         |
| Long-term provisions                       | 6        | 6,519,158                   | 193,116                   |
|  |          | <u>681,519,158</u>          | <u>193,116</u>            |
| <b>Current liabilities</b>                 |          |                             |                           |
| Trade Payables                             | 7        | 4,765,125                   | 869,596                   |
| Short-term borrowings                      | 8        | 31,208                      | -                         |
| Other current liabilities                  | 9        | 31,575,484                  | 1,482,264                 |
| Short-term provisions                      | 10       | 252,661                     | 146,237                   |
|  |          | <u>36,624,478</u>           | <u>2,498,097</u>          |
| <b>TOTAL</b>                               |          | <u><b>1,662,741,382</b></u> | <u><b>451,091,974</b></u> |
| <b>Assets</b>                              |          |                             |                           |
| <b>Non-current assets</b>                  |          |                             |                           |
| Fixed assets                               |          |                             |                           |
| Tangible assets                            | 11       | 12,776,849                  | 1,557,703                 |
| Capital work in progress - Tangible Assets |          | 153,241                     | 2,200,500                 |
| Intangible assets                          | 12       | 1,832,744                   | -                         |
| Long-term loans and advances               | 13       | 1,265,799,633               | 21,529,211                |
| Other non-current assets                   | 14       | 839,705                     | 1,011,081                 |
|  |          | <u>1,281,402,172</u>        | <u>26,298,495</u>         |
| <b>Current assets</b>                      |          |                             |                           |
| Current Investments                        | 15       | 190,000,000                 | -                         |
| Cash and bank balances                     | 16       | 156,677,416                 | 417,770,895               |
| Short-term loans and advances              | 13       | 26,244,536                  | 756,430                   |
| Other current assets                       | 14       | 8,417,258                   | 6,266,154                 |
|  |          | <u>381,339,210</u>          | <u>424,793,479</u>        |
| <b>Total</b>                               |          | <u><b>1,662,741,382</b></u> | <u><b>451,091,974</b></u> |

Summary of significant accounting policies 2  
The accompanying notes are an integral part of the financial statements.

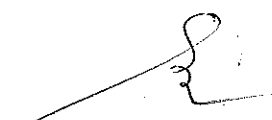
As per our report of even date

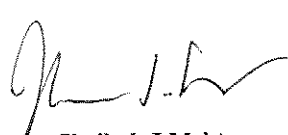
**For S. R. Batliboi & Associates LLP**  
Chartered Accountants  
ICAI Firm registration number: 101049W/E300004


  
**Bharath N S**  
Partner  
Membership no.: 210934

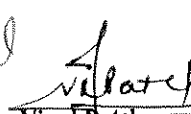


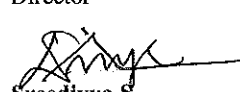
**For and on behalf of the board of directors**

  
**V. P. Nandakumar**  
Chairman

  
**Shailesh J Mehta**  
Director

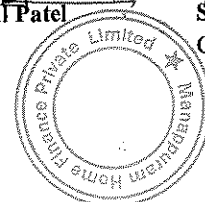
  
**Alope Ghosal**  
CEO

  
**Vipul Patel**  
CFO

  
**Sreedivya S**  
Company Secretary

Place: Valapad  
Date : May 11 2016

Place: Valapad  
Date : May 11 2016



**Manappuram Home Finance Private Limited**  
**Statement of profit and loss for the year ended March 31, 2016**  
 (All amounts are in Indian Rupees, unless otherwise stated)

|   | Notes | Year ended<br>March 31, 2016 | Year ended<br>March 31, 2015 |
|---|-------|------------------------------|------------------------------|
| <b>Income</b>   |       |                              |                              |
| Revenue from operations   | 17    | 98,559,143                   | 9,388,012                    |
| Other Income  |       | 63,891                       | 38,593                       |
| <b>Total revenue</b>  |       | <b>98,623,034</b>            | <b>9,426,605</b>             |
| <b>Expenses</b>   |       |                              |                              |
| Employee benefits expense   | 18    | 85,490,613                   | 7,600,038                    |
| Financial expenses  | 19    | 20,831,391                   | 10,900                       |
| Other expenses  | 20    | 43,192,075                   | 7,614,240                    |
| Depreciation and amortization expense   | 11    | 2,911,970                    | 91,913                       |
| <b>Total expenses</b>   |       | <b>152,426,049</b>           | <b>15,317,091</b>            |
| <b>Profit/(loss) before tax</b>   |       | <b>(53,803,015)</b>          | <b>(5,890,486)</b>           |
| <b>Tax expenses</b>   |       |                              |                              |
| Current tax   |       | -                            | -                            |
| Deferred tax  |       | -                            | -                            |
| <b>Total tax expense</b>  |       | <b>-</b>                     | <b>-</b>                     |
| <b>Profit/(Loss) for the year</b>   |       | <b>(53,803,015)</b>          | <b>(5,890,486)</b>           |
| <b>Loss per equity share [Nominal value of share Rs. 10]</b>                    |       |                              |                              |
| Net profit/ (loss) available to equity shareholders                             |       | (53,803,015)                 | (5,890,486)                  |
| Weighted average number of equity shares used in computing basic loss per share |       | 49,863,388                   | 11,471,507                   |
| Basic earning /(loss) per share (equity shares, par value Rs 10 each)           |       | (1.08)                       | (0.51)                       |

Summary of significant accounting policies

2


The accompanying notes are an integral part of the financial statements.

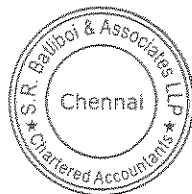
As per our report of even date

**For S. R. Batliboi & Associates LLP**

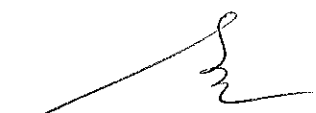
Chartered Accountants

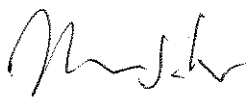
ICAI Firm registration number: 101049W/E300004

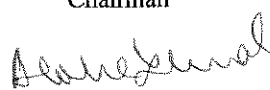
  
**Bharath N S**  
 Partner  
 Membership no.: 210934



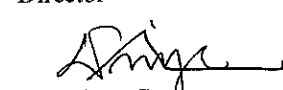
**For and on behalf of the board of directors**

  
**V. P. Nandakumar**  
 Chairman

  
**Shailesh J Mehta**  
 Director

  
**Aloke Ghosal**  
 CEO

  
**Vipul Patel**  
 CFO

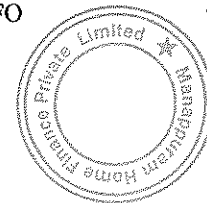
  
**Sreedivya S**  
 Company Secretary

Place: Valapad

Date : May 11 2016

Place: Valapad


Date : May 11 2016

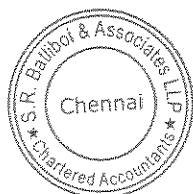


**Manappuram Home Finance Private Limited**  
**Cash flow Statement for the year ended March 31, 2016**  
(All amounts are in Indian Rupees, unless otherwise stated)

|   | Year ended<br>March 31, 2016 | Year ended<br>March 31, 2015 |
|---|------------------------------|------------------------------|
| <b>A. Cash flow from operating activities</b>                           |                              |                              |
| Net loss before taxation  | (53,803,015)                 | (5,890,486)                  |
| Depreciation and amortization   | 2,911,970                    | 91,913                       |
| Provision for standard assets   | 5,056,442                    | 87,936                       |
| <b>Operating loss before working capital changes</b>                    | <b>(45,834,603)</b>          | <b>(5,710,637)</b>           |
| Movements in working capital :  |                              |                              |
| Increase/ (decrease) in trade payable                                   | 3,895,529                    | 839,756                      |
| Increase/ (decrease) in other current liabilities and provisions        | 5,093,220                    | 1,482,264                    |
| Decrease / (increase) in long-term loans and advances                   | (1,244,270,422)              | (21,529,211)                 |
| Decrease / (increase) in short-term loans and advances                  | (25,488,106)                 | (656,310)                    |
| Decrease / (increase) in other current assets                           | (2,151,103)                  | (2,084,680)                  |
| Increase / (decrease) in Provisions                                     | 1,376,023                    | 107,000                      |
| <b>Cash generated from / (used in) operations</b>                       | <b>(1,307,379,462)</b>       | <b>(27,551,818)</b>          |
| Direct taxes paid (net of refunds)                                      | 171,376                      | (1,937,872)                  |
| <b>Net cash flow from/ (used in) operating activities (A)</b>           | <b>(1,307,208,086)</b>       | <b>(29,489,690)</b>          |
| <b>B. Cash flows from investing activities</b>                          |                              |                              |
| Purchase of fixed assets, including CWIP                                | (13,916,601)                 | (3,850,116)                  |
| Investment in Mutual Funds  | (190,000,000)                | -                            |
| <b>Net cash flow from/ (used in) investing activities (B)</b>           | <b>(203,916,601)</b>         | <b>(3,850,116)</b>           |
| <b>C. Cash flows from financing activities</b>                          |                              |                              |
| Proceeds from issuance of equity share capital                          | 550,000,000                  | 339,000,000                  |
| Proceeds from long term borrowings                                      | 1,475,000,000                | -                            |
| Repayment of long term borrowings                                       | (775,000,000)                | -                            |
| Proceeds from short term borrowings                                     | 31,208                       | -                            |
| <b>Net cash flow from/ (used in) in financing activities (C)</b>        | <b>1,250,031,208</b>         | <b>339,000,000</b>           |
| <b>Net increase/(decrease) in cash and cash equivalents (A + B + C)</b> | <b>(261,093,479)</b>         | <b>305,660,194</b>           |
| Cash and cash equivalents at the beginning of the year                  | 417,770,895                  | 112,110,701                  |
| <b>Cash and cash equivalents at the end of the year</b>                 | <b>156,677,416</b>           | <b>417,770,895</b>           |
| <b>Components of cash and cash equivalents</b>                          |                              |                              |
| Cash on hand  | 3,603                        | 5,131                        |
| With banks  |                              |                              |
| - in current account  | 156,673,813                  | 357,465,764                  |
| - in deposit account  | -                            | 60,300,000                   |
| <b>Total cash and cash equivalents (note 16)</b>                        | <b>156,677,416</b>           | <b>417,770,895</b>           |

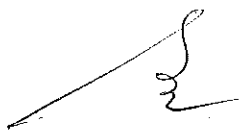
For S. R. Batliboi & Associates LLP  
Chartered Accountants  
ICAI Firm registration number: 101049W/E300004


  
**Bharath N S**  
Partner  
Membership no.: 210934

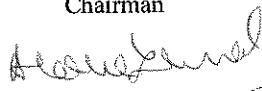


Place: Valapad  
Date : May 11 2016

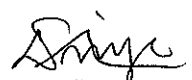
For and on behalf of the board of directors

  
**V. P. Nandakumar**  
Chairman

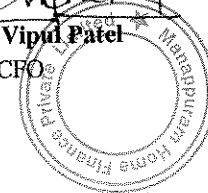
  
**Shailesh J Mehta**  
Director

  
**Alok Ghosal**  
CEO

  
**Vipul Patel**  
CFO

  
**Sreedivya S**  
Company Secretary

Place: Valapad  
Date : May 11 2016



**Manappuram Home Finance Private Limited**

**Notes to the Financial statements for the year ended March 31, 2016**

(All amounts are in Indian Rupees, unless otherwise stated)

**NOTE: 3**

**SHARE CAPITAL**

|  | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
|--|-------------------------|-------------------------|
| <b>Authorized</b>  |                         |                         |
| 100,000,000 Equity Shares (Previous year 50,000,000 Equity Shares) of Rs.10/- each | 1,000,000,000           | 500,000,000             |
| <b>Issued, subscribed and paid-up</b>  |                         |                         |
| 100,000,000 Equity Shares (Previous year 45,000,000 Equity Shares) of Rs.10/- each | 1,000,000,000           | 450,000,000             |
| <b>Total issued, subscribed and fully paid-up share capital</b>                    | <b>1,000,000,000</b>    | <b>450,000,000</b>      |

**a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**

**Equity shares**

|   | March 31, 2016     |                      | March 31, 2015    |                    |
|---|--------------------|----------------------|-------------------|--------------------|
|   | No. of share       | Amount               | No. of share      | Amount             |
| At the beginning of the period              | 45,000,000         | 450,000,000          | 11,100,000        | 111,000,000        |
| Issued during the period                    | 55,000,000         | 550,000,000          | 33,900,000        | 339,000,000        |
| <b>Outstanding at the end of the period</b> | <b>100,000,000</b> | <b>1,000,000,000</b> | <b>45,000,000</b> | <b>450,000,000</b> |

**b. Terms/rights attached to equity shares**

Equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the board of directors is subject to approval of the shareholders in the ensuring Annual general meeting.

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

**c. Details of shareholders holding more than 5% shares in the Company**

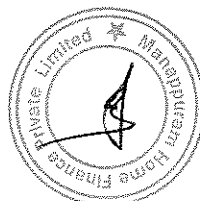
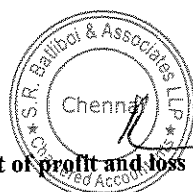
|  | March 31, 2016            |              | March 31, 2015            |              |
|--|---------------------------|--------------|---------------------------|--------------|
|  | No. of equity shares held | % of holding | No. of equity shares held | % of holding |
| <b>Equity shares of Rs. 10 each fully paid</b> |                           |              |                           |              |
| Manappuram Finance Limited (Holding company)   | 100,000,000               | 100%         | 45,000,000                | 100%         |

As per records of the Company, including its register of shareholders/members, the above shareholding represents legal ownerships of shares.

**NOTE: 4**

**RESERVE AND SURPLUS**

|   | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
|---|-------------------------|-------------------------|
| <b>Special Reserve</b>  |                         |                         |
| Pursuant to Section 29-C of the National Housing Bank Act, 1987 |                         |                         |
| As per last Balance Sheet                                       | 910,640                 | 910,640                 |
| Add: Transfer from Surplus                                      | -                       | -                       |
| Closing Balance   | <b>910,640</b>          | <b>910,640</b>          |
| <b>Surplus/ (deficit) in the statement of profit and loss</b>   |                         |                         |
| As per last Balance Sheet                                       | (2,509,879)             | 3,380,607               |
| Profit/(loss) for the year                                      | (53,803,015)            | (5,890,486)             |
| Net surplus/ (deficit) in the statement of profit and loss      | (56,312,894)            | (2,509,879)             |
| <b>Total reserve and surplus</b>                                | <b>(55,402,254)</b>     | <b>(1,599,239)</b>      |



*[Handwritten signature]*

**Manappuram Home Finance Private Limited**

**Notes to the Financial statements for the year ended March 31, 2016**

(All amounts are in Indian Rupees, unless otherwise stated)

**NOTE: 6**

**Long-term provisions**

Provision for gratuity  
Provision for standard assets

|  | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
|--|-------------------------|-------------------------|
|  | 1,477,023               | 107,000                 |
|  | 5,042,135               | 86,116                  |
|  | <b>6,519,158</b>        | <b>193,116</b>          |

All registered housing finance companies are required to carry provision of 0.40%, 0.75% and 1.00% of the total outstanding amount of loans which are standard assets in respect of housing and other loans, commercial real estate residential loans and commercial real estate other loans respectively vide circular no. NHB(ND)/DRS/Pol.no.45/2011-12 issued dated January 19, 2012 and NHB circular no. HFC.DIR9/CMD/2013 dated September 06, 2013. Further, all registered housing finance companies are required to carry a provision of 2.00% of the total outstanding loans which are standard assets in respect of housing loans at special rate i.e limited period fixed rate loan vide circular no NHB(ND)/DRS/Pol.no.47/2010-11 issued dated December 24, 2010. Accordingly, the Company carried a provision of Rs.5,144,379 (March 31, 2015 Rs. 87,936) towards standard loans as per the prudential norms of NHB.

Movement in provision for standard assets is as under:

| Particulars                                 | March 31, 2016   | March 31, 2015 |
|---|------------------|----------------|
| Opening balance                             | 87,936           | -              |
| Addition during the year                    | 5,056,443        | 87,936         |
| Utilised during the year                    | -                | -              |
| <b>Closing balance</b>                      | <b>5,144,379</b> | <b>87,936</b>  |
| Provision for standard Assets - Current     | 102,244          | 1,820          |
| Provision for standard Assets - Non Current | 5,042,135        | 86,116         |
| <b>Total</b>                                | <b>5,144,379</b> | <b>87,936</b>  |

|  | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
|--|-------------------------|-------------------------|
|--|-------------------------|-------------------------|

**NOTE: 7**

**Trade Payables**

Total outstanding dues of micro enterprises and small enterprises

Total outstanding dues of creditors other than micro enterprises and small enterprises

|  |                  |                |
|--|------------------|----------------|
|  | -                | -              |
|  | 4,765,125        | 869,596        |
|  | <b>4,765,125</b> | <b>869,596</b> |

**NOTE: 8**

**Short term Borrowings**

Cash credit / Overdraft facilities from banks (secured)

|                                  |               |          |
|----------------------------------|---------------|----------|
|                                  | 31,208        | -        |
|                                  | <b>31,208</b> | <b>-</b> |
| <b>The above amount includes</b> |               |          |
| Secured borrowings               | 31,208        | -        |
| <b>Total</b>                     | <b>31,208</b> | <b>-</b> |

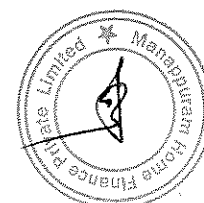
Cash credit / Overdraft facilities from banks and Working Capital demand loan from banks (secured)

| Particulars  | March 31, 2016 | March 31, 2015 |
|--|----------------|----------------|
| First charge by hypothecation of receivables due for not more than 12 months (current portion of receivables) other than those secured to term loans of banks. | 31,208         | -              |
| <b>Total</b>   | <b>31,208</b>  | <b>-</b>       |

The cash credit is repayable on demand and carries interest @ 11.50%



*Signature*



**Manappuram Home Finance Private Limited**

**Notes to the Financial statements for the year ended March 31, 2016**

(All amounts are in Indian Rupees, unless otherwise stated)

**NOTE: 9**

**Other Current Liabilities**

Current maturities of long-term borrowings (Refer Note 5)  
Amount due to Related parties  
Payable for Employees  
Payable for fixed asset purchase  
Statutory dues payables  
Other current liabilities

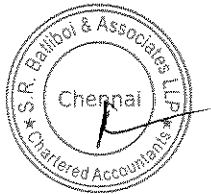
|   | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
|---|-------------------------|-------------------------|
| Current maturities of long-term borrowings (Refer Note 5) | 25,000,000              | -                       |
| Amount due to Related parties                             | -                       | 416,329                 |
| Payable for Employees                                     | 2,324,330               | -                       |
| Payable for fixed asset purchase                          | -                       | 402,378                 |
| Statutory dues payables                                   | 4,112,697               | 640,578                 |
| Other current liabilities                                 | 138,457                 | 22,979                  |
|   | <b>31,575,484</b>       | <b>1,482,264</b>        |

**NOTE: 10**

**Short-Term Provisions**

Provision for taxation (net of advance tax payments and tax deducted at source )  
Provision for Standard Assets (Refer Note 6)  
**Provision for employee benefits**  
Provision for gratuity

|  |                |                |
|--|----------------|----------------|
| Provision for taxation (net of advance tax payments and tax deducted at source ) | 144,417        | 144,417        |
| Provision for Standard Assets (Refer Note 6)                                     | 102,244        | 1,820          |
| <b>Provision for employee benefits</b>   |                |                |
| Provision for gratuity   | 6,000          | -              |
|  | <b>252,661</b> | <b>146,237</b> |



*Signature*



**Manappuram Home Finance Private Limited**

**Notes to the Financial statements for the year ended March 31, 2016**

(All amounts are in Indian Rupees, unless otherwise stated)

**NOTE: 13**

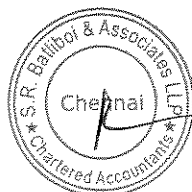
|   | Non Current             |                         | Current                 |                         |
|---|-------------------------|-------------------------|-------------------------|-------------------------|
|   | As at<br>March 31, 2016 | As at<br>March 31, 2015 | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
| <b>Loans and advances</b>                                       |                         |                         |                         |                         |
| <b>Loan &amp; other credit facilities</b>                       |                         |                         |                         |                         |
| <b>Secured considered good</b>                                  |                         |                         |                         |                         |
| Housing loans   | 1,178,664,880           | 21,267,863              | 24,330,342              | 438,846                 |
| Other loans   | 81,467,953              | 261,348                 | 1,230,659               | 16,037                  |
|   | <b>1,260,132,833</b>    | <b>21,529,211</b>       | <b>25,561,001</b>       | <b>454,883</b>          |
| <b>Deposits (Unsecured, considered good)</b>                    |                         |                         |                         |                         |
| Rental deposits   | 5,666,800               | -                       | -                       | -                       |
| Loan and advances to related parties Unsecured, considered good | -                       | -                       | 5,973                   | -                       |
| Advances recoverable in cash or kind Unsecured, considered good | -                       | -                       | 461,106                 | -                       |
| <b>Other loans and advances</b>                                 |                         |                         |                         |                         |
| <b>Unsecured considered good</b>                                |                         |                         |                         |                         |
| Balances with government authorities                            | -                       | -                       | 216,456                 | 301,547                 |
|   | <b>1,265,799,633</b>    | <b>21,529,211</b>       | <b>26,244,536</b>       | <b>756,430</b>          |

**NOTE: 14**

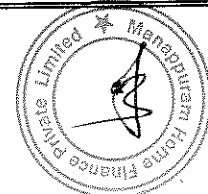
|  | Non Current             |                         | Current                 |                         |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
|  | As at<br>March 31, 2016 | As at<br>March 31, 2015 | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
| <b>Other assets</b>  |                         |                         |                         |                         |
| <b>Interest accrued</b>  |                         |                         |                         |                         |
| Loan Portfolio (Secured, considered good)                              | -                       | -                       | 7,642,523               | 34,119                  |
| Fixed deposits   | -                       | -                       | -                       | 6,213,664               |
| Advance tax and tax deducted at source (net of Provision for taxation) | 839,705                 | 1,011,081               | -                       | -                       |
| Others   | -                       | -                       | 774,735                 | 18,371                  |
|  | <b>839,705</b>          | <b>1,011,081</b>        | <b>8,417,258</b>        | <b>6,266,154</b>        |

**NOTE: 15**

|  | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
|--|-------------------------|-------------------------|
| <b>CURRENT INVESTMENTS</b>   |                         |                         |
| Mutual Fund (Unquoted, valued at net asset value)  |                         |                         |
| 16,379.30 (Previous year NIL) units of Rs.2,442.11/- (Previous year Rs. NIL) each in Reliance Liquid Fund-Cash-Plan-Direct Growth Plan.          | 40,000,000              | -                       |
| 5,892.26 (Previous year NIL) units of Rs.1,697.14/- (Previous year Rs. NIL) each in UTI Money Market Fund-Institutional Plan-Direct Plan-Growth. | 10,000,000              | -                       |
| 16,282.57 (Previous year NIL) units of Rs.3,070.77/- (Previous year Rs. NIL) each in Kotak Liquid Plan A-Direct plan-Growth                      | 50,000,000              | -                       |
| 164,555.55 (Previous year NIL) units of Rs.243.08/- (Previous year Rs. NIL) each in Birla Sunlife Cash Plus-Growth-Direct                        | 40,000,000              | -                       |
| 170,173.60 (Previous year NIL) units of Rs.293.82/- (Previous year Rs. NIL) each in Birla Sunlife Savings Fund-Growth-Direct                     | 50,000,000              | -                       |
|  | <b>190,000,000</b>      | <b>-</b>                |



*Signature*



**Manappuram Home Finance Private Limited**

**Notes to the Financial statements for the year ended March 31, 2016**

(All amounts are in Indian Rupees, unless otherwise stated)

**NOTE: 16**

**Cash and bank balances**

Cash and cash equivalents

Cash on hand

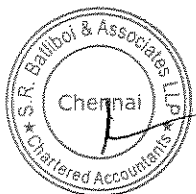
Balances with banks:

On current accounts

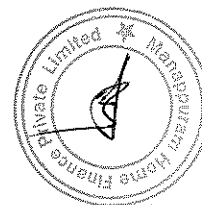
Other bank balances

Deposits with original maturity for more than 3 months but less than 12 months

|  | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
|--|-------------------------|-------------------------|
| Cash on hand   | 3,603                   | 5,131                   |
| Balances with banks:<br>On current accounts  | 156,673,813             | 357,465,764             |
|  | <u>156,677,416</u>      | <u>357,470,895</u>      |
| <u>Other bank balances</u><br>Deposits with original maturity for more than 3 months but less than 12 months | -                       | 60,300,000              |
|  | <u>-</u>                | <u>60,300,000</u>       |
|  | <u>156,677,416</u>      | <u>417,770,895</u>      |



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**Manappuram Home Finance Private Limited**

**Notes to the Financial statements for the year ended March 31, 2016**

(All amounts are in Indian Rupees, unless otherwise stated)

**NOTE: 5**

**Long-term borrowings**

|  | Non-current portion     |                         | Current maturities      |                         |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
|  | As at<br>March 31, 2016 | As at<br>March 31, 2015 | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
| <b>Term loans</b>  |                         |                         |                         |                         |
| Indian rupee loan from banks (secured)                               | 675,000,000             | -                       | 25,000,000              | -                       |
|  | <b>675,000,000</b>      | -                       | <b>25,000,000</b>       | -                       |
| The above amount includes  |                         |                         |                         |                         |
| Secured borrowings   | 675,000,000             | -                       | 25,000,000              | -                       |
| Amount disclosed under the head "other current liabilities" (note 8) |                         |                         | (25,000,000)            |                         |
| <b>Net Amount</b>  | <b>675,000,000</b>      | -                       | -                       | -                       |

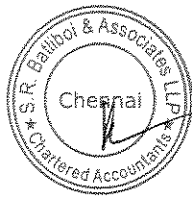
**A) Indian rupee loan from banks (secured)**

**As at March 31, 2016**

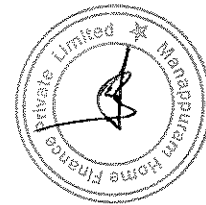
Terms of repayment

| Tenure (from the date of Balance Sheet) | Rate of Interest | Non current portion | Current Maturities |
|---|------------------|---------------------|--------------------|
| More than 5 years                       | 11.00%           | 141,666,667         |                    |
| Due within 2-5 years                    | 11.00%           | 400,000,000         |                    |
| Due within 1-2 years                    | 11.00%           | 133,333,333         |                    |
| Due within 1 year                       | 11.00%           |                     | 25,000,000         |
| <b>Total</b>                            |                  | <b>675,000,000</b>  | <b>25,000,000</b>  |

These are secured by an exclusive charge by way of pari passu first charge on housing loans receivables of the Company which are regular as per RBI Guideline.



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**Manappuram Home Finance Private Limited**  
**Notes to the Financial statements for the year ended March 31, 2016**  
(All amounts are in Indian Rupees, unless otherwise stated)

**NOTE: 17**

|                                 | Year ended<br>March 31, 2016 | Year ended<br>March 31, 2015 |
|---------------------------------|------------------------------|------------------------------|
| <b>Revenue from operations</b>  |                              |                              |
| Interest income - Home Loan     | 69,418,346                   | 1,37,709                     |
| Interest income - Bank Deposits | 6,952,871                    | 8,756,818                    |
|                                 | <u>76,371,217</u>            | <u>8,894,527</u>             |
| <b>Other operating income</b>   |                              |                              |
| Application and processing fees | 21,567,261                   | 493,485                      |
| Other Income                    | 620,665                      | -                            |
|                                 | <u>22,187,926</u>            | <u>493,485</u>               |
|                                 | <u><b>98,559,143</b></u>     | <u><b>9,388,012</b></u>      |

**NOTE: 18**

|   |                   |                  |
|---|-------------------|------------------|
| <b>Employee benefits expense</b>          |                   |                  |
| Salaries and wages                        | 79,714,964        | 7,422,790        |
| Contribution to provident and other funds | 4,399,626         | 70,248           |
| Gratuity expense                          | 1,376,023         | 107,000          |
|   | <u>85,490,613</u> | <u>7,600,038</u> |

**NOTE: 19**

|                             |                   |               |
|-----------------------------|-------------------|---------------|
| <b>Finance Cost</b>         |                   |               |
| Interest on bank borrowings | 20,725,970        | -             |
| Bank and Other charges      | 105,421           | 10,900        |
|                             | <u>20,831,391</u> | <u>10,900</u> |

**NOTE: 20**

|   |                   |                  |
|---|-------------------|------------------|
| <b>Other expenses</b>                         |                   |                  |
| Rent expense                                  | 9,350,948         | 1,122,512        |
| Business processing expenses                  | 7,258,988         | -                |
| Electricity expense                           | 603,297           | 63,305           |
| Travelling and conveyance                     | 3,121,423         | 412,811          |
| Insurance                                     | 119,466           | 31,150           |
| Printing and stationary                       | 2,127,391         | 68,857           |
| Communication                                 | 1,162,282         | 101,368          |
| Rates and taxes                               | 3,553,446         | 3,541,770        |
| Legal and Professional fees (Refer Note 20.1) | 5,319,547         | 1,669,544        |
| Advertisement                                 | 1,059,512         | 32,701           |
| Directors sitting fees                        | 975,000           | 450,000          |
| Subscription charges                          | 910,400           | -                |
| Branch opening expenses                       | 772,205           | -                |
| Repairs and maintenance                       | 177,403           | -                |
| Business commission                           | 771,123           | -                |
| Miscellaneous expenses                        | 853,202           | 32,286           |
| Provision for standard assets                 | 5,056,442         | 87,936           |
|   | <u>43,192,075</u> | <u>7,614,240</u> |

**Note 20.1**

**Payment to auditor ( Included in legal and Professional fees)**

**As auditor:**

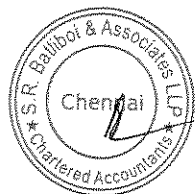
|                |         |         |
|----------------|---------|---------|
| Audit fee      | 900,000 | 500,000 |
| Limited review | 225,000 | -       |

**In other capacity**

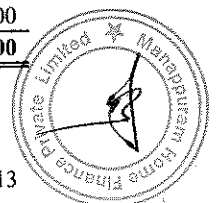
|                                     |                  |                |
|-------------------------------------|------------------|----------------|
| Other services (certification fees) | 50,000           | -              |
| Reimbursement of expenses           | -                | 20,000         |
|                                     | <u>1,175,000</u> | <u>520,000</u> |

**NOTE: 11 & 12**

|                                   |                  |               |
|-----------------------------------|------------------|---------------|
| <b>Depreciation expense</b>       |                  |               |
| Depreciation                      | 2,544,214        | 91,913        |
| Amortization of intangible assets | 367,756          | -             |
|                                   | <u>2,911,970</u> | <u>91,913</u> |



*Signature*



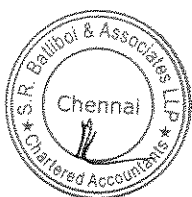
**Manappuram Home Finance Private Limited**

Notes to the Financial statements for the year ended March 31, 2016

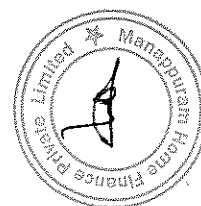
(All amounts are in Indian Rupees, unless otherwise stated)

**NOTE: 11****Tangible assets**

|                                   | Computer<br>equipment | Furniture and<br>Fittings | Total             |
|-----------------------------------|-----------------------|---------------------------|-------------------|
| <b>Cost</b>                       |                       |                           |                   |
| At 1 April 2014                   | -                     | -                         | -                 |
| Additions                         | 958,595               | 691,021                   | 1,649,616         |
| Deletions                         | -                     | -                         | -                 |
| <b>At 31 March 2015</b>           | <b>958,595</b>        | <b>691,021</b>            | <b>1,649,616</b>  |
| <b>Cost</b>                       |                       |                           |                   |
| At 1 April 2015                   | 958,595               | 691,021                   | 1,649,616         |
| Additions                         | 7,512,970             | 6,250,390                 | 13,763,360        |
| Deletions/adjustment              | -                     | -                         | -                 |
| <b>At 31 March 2016</b>           | <b>8,471,565</b>      | <b>6,941,411</b>          | <b>15,412,976</b> |
| <b>Accumulated Depreciation</b>   |                       |                           |                   |
| At 1 April 2014                   | -                     | -                         | -                 |
| Charge for the year               | 63,399                | 28,514                    | 91,913            |
| Deletions                         | -                     | -                         | -                 |
| <b>At 31 March 2015</b>           | <b>63,399</b>         | <b>28,514</b>             | <b>91,913</b>     |
| <b>Accumulated Depreciation</b>   |                       |                           |                   |
| At 1 April 2015                   | 63,399                | 28,514                    | 91,913            |
| Charge for the year               | 1,841,585             | 702,629                   | 2,544,214         |
| Disposals/adjustment              | -                     | -                         | -                 |
| <b>At 31 March 2016</b>           | <b>1,904,984</b>      | <b>731,143</b>            | <b>2,636,127</b>  |
| <b>Net Block at 31 March 2015</b> | <b>895,196</b>        | <b>662,507</b>            | <b>1,557,703</b>  |
| <b>Net Block at 31 March 2016</b> | <b>6,566,581</b>      | <b>6,210,268</b>          | <b>12,776,849</b> |



*Signature*

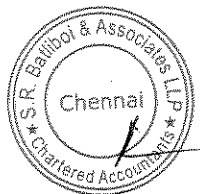


**Manappuram Home Finance Private Limited****Notes to the Financial statements for the year ended March 31, 2016**

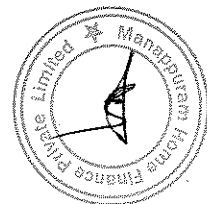
(All amounts are in Indian Rupees, unless otherwise stated)

**NOTE: 12****Intangible assets**

|                                   | <b>Software</b>  |
|-----------------------------------|------------------|
| <b>Cost</b>                       |                  |
| At 1 April 2014                   | -                |
| Additions                         | -                |
| Deletions                         | -                |
| <b>At 31 March 2015</b>           | <b>-</b>         |
| <b>Cost</b>                       |                  |
| At 1 April 2015                   | -                |
| Additions                         | 2,200,500        |
| Deletions/adjustment              | -                |
| <b>At 31 March 2016</b>           | <b>2,200,500</b> |
| <b>Accumulated Depreciation</b>   |                  |
| At 1 April 2014                   | -                |
| Charge for the year               | -                |
| Deletions                         | -                |
| <b>At 31 March 2015</b>           | <b>-</b>         |
| <b>Accumulated Depreciation</b>   |                  |
| At 1 April 2015                   | -                |
| Charge for the year               | 367,756          |
| Disposals/adjustment              | -                |
| <b>At 31 March 2016</b>           | <b>367,756</b>   |
| <b>Net Block at 31 March 2015</b> | <b>-</b>         |
| <b>Net Block at 31 March 2016</b> | <b>1,832,744</b> |



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**Manappuram Home Finance Private Limited****Notes to the Financial statements for the year ended March 31, 2016**

(All amounts are in Indian Rupees, unless otherwise stated)

**NOTE: 21****Provisions for Non- performing loans**

As per the Housing Finance Companies Directions, 2010, non-performing assets are recognised on the basis of ninety days overdue. The total provision carried by the Company in term of paragraph 29 (2) of the Housing Finance Companies Directions, 2010 in respect of Housing and Non-housing loans is as follows:

| Particulars  | Year ended<br>March 31, 2016 | Year ended<br>March 31, 2015 |
|--------------|------------------------------|------------------------------|
| Housing      | -                            | -                            |
| Non Housing  | -                            | -                            |
| <b>Total</b> | -                            | -                            |

| Particulars                       | Year ended<br>March 31, 2016 | Year ended<br>March 31, 2015 |
|-----------------------------------|------------------------------|------------------------------|
| Provision for sub-standard assets | -                            | -                            |
| Provision for doubt-ful assets    | -                            | -                            |
| Provision for loss assets         | -                            | -                            |
| <b>Total</b>                      | -                            | -                            |

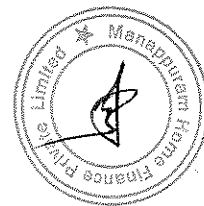
**NOTE: 22****Earnings per share (EPS)**

The following reflects the profit and share data used in the basic and diluted EPS computations:

|  | Year ended<br>March 31, 2016 | Year ended<br>March 31, 2015 |
|--|------------------------------|------------------------------|
| Net profit/(loss) for calculation of basic EPS                           | (53,803,015)                 | (5,890,486)                  |
| Weighted average number of equity shares in calculating basic EPS (Nos.) | 49,863,388                   | 11,471,507                   |
| Basic EPS (Rs)   | (1.08)                       | (0.51)                       |
| Diluted EPS (Rs)   | (1.08)                       | (0.51)                       |



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**Manappuram Home Finance Private Limited**  
**Notes to the Financial statements for the year ended March 31, 2016**  
 (All amounts are in Indian Rupees, unless otherwise stated)

**NOTE: 23**

**Related party disclosure**

|                                       |  |
|---------------------------------------|--|
| <b>Relationship</b>                   | <b>Names of related parties</b>  |
| <b>Holding company</b>                | Manappuram Finance Limited   |
| <b>Fellow subsidiary</b>              | Asirwad Microfinance Private Limited *   |
| <b>Key management personnel (KMP)</b> | Mr. V. P. Nandakumar (Chairman) *<br>Mr. Alope Ghosal (Chief Executive Officer)<br>Mrs. Sreedivya ( Company Secretary) |

\* No transactions during the year.

| Particulars   | Holding Company              |                              | KMP                          |                              |
|---|------------------------------|------------------------------|------------------------------|------------------------------|
|   | Year ended<br>March 31, 2016 | Year ended<br>March 31, 2015 | Year ended<br>March 31, 2016 | Year ended<br>March 31, 2015 |
| <b>Issue of Equity shares</b><br>Manappuram Finance Limited                   | 550,000,000                  | 339,000,000                  |                              |                              |
| <b>Rent, Electricity and telephone expenses</b><br>Manappuram Finance Limited | 5,228,593                    | 1,198,572                    |                              |                              |
| <b>Printing charges</b><br>Manappuram Finance Limited                         | 24,503                       | 24,186                       |                              |                              |
| <b>Salary</b><br>Mr. Alope Ghosal<br>Mrs. Sreedivya                           |                              |                              | 4,962,436<br>1,288,677       | 2,861,098<br>1,047,887       |
| <b>Expenses reimbursed by the Company</b><br>Manappuram Finance Limited       |                              | 556,954                      |                              |                              |
| <b>Expenses reimbursed to the Company</b><br>Manappuram Finance Limited       | 24,885                       | 44,328                       |                              |                              |
| <b>Security deposit received &amp; refunded</b><br>Manappuram Finance Limited | -                            | 400,000                      |                              |                              |
| <b>Purchase of Fixed assets</b><br>Manappuram Finance Limited                 |                              | 72,010                       |                              |                              |
| <b>Loan taken from</b><br>Manappuram Finance Limited                          | 775,000,000                  | -                            |                              |                              |
| <b>Loan Repaid to</b><br>Manappuram Finance Limited                           | 775,000,000                  | -                            |                              |                              |
| <b>Interest expense</b><br>Manappuram Finance Limited                         | 14,141,038                   |                              |                              |                              |
| <b>Amounts payable (net) to related parties</b><br>Manappuram Finance Limited | -                            | 416,329                      |                              |                              |



*[Handwritten Signature]*



**Manappuram Home Finance Private Limited**

**Notes to the Financial statements for the year ended March 31, 2016**

(All amounts are in Indian Rupees, unless otherwise stated)

**March 31, 2016      March 31, 2015**

**Note 24**

**Commitments**

Capital Commitments 261,925

**Note 25**

In terms of requirement of NHB's Circular No. NHB (ND)/DRS/Pol.circular.61/2013-14 dated April 07, 2014 following information on Reserve Fund under Section 29C of the NHB Act is provided:

| Particulars   | March 31, 2016 | March 31, 2015 |
|---|----------------|----------------|
| <b>Balance at the begeing of the year</b>   |                |                |
| A) Statutory Reserve u/s 29C of the NHB Act   | 910,640        | 910,640        |
| B) Amount of Special Reserve u/s 36 (1)(iii) of the Income Tax Act 1961 taken into account for the purpose of the Statutory Reserve u/s 29C of the NHB Act. | -              | -              |
| <b>C) Total</b>   |                |                |
| <b>Balance at the end of the year</b>   |                |                |
| A) Statutory Reserve u/s 29C of the NHB Act   | 910,640        | 910,640        |
| B) Amount of Special Reserve u/s 36 (1)(iii) of the Income Tax Act 1961 taken into account for the purpose of the Statutory Reserve u/s 29C of the NHB Act. | -              | -              |

**NOTE: 26**

This disclosure as per NHB circular no. NHB/ND/DRS/Pol-No. 35/2010-2011 dated October 11, 2010 is as under:

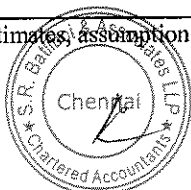
**i) Capital to risk assets ratio (CRAR)**

| Particulars                 | March 31, 2016 | March 31, 2015 |
|-----------------------------|----------------|----------------|
| 1) CRAR %                   | 112.85%        | 2317.63%       |
| 2) CRAR - Tier I capital %  | 112.24%        | 2317.17%       |
| 3) CRAR - Tier II capital % | 0.61%          | 0.46%          |

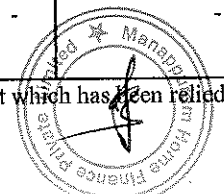
**ii) Exposure to Real estate sector**

| Particulars  | March 31, 2016 | March 31, 2015 |
|--|----------------|----------------|
| <b>1) Direct Exposure</b>  |                |                |
| <b>a) Residential Mortgages</b>  |                |                |
| (i) Lending fully secured by mortgage on residential property that is or will be occupied by the borrower or that is rented.   | 1,285,693,834  | 21,984,094     |
| (ii) Individual loans upto Rs 15 lakhs included in 1 a(i) above  | 520,984,238    | 8,995,732      |
| <b>b) Commercial Real Estate</b>   |                |                |
| Lending fully secured by mortgage on commercial real estate (office buildings, retail space, multiple purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would not include non-fund based (NFB) limits. | -              | -              |
| <b>c) Investments in Mortgage Backed Securities (MBS) and other securitised exposures:</b>   |                |                |
| i) Residential   | -              | -              |
| ii) Commercial Real Estate   | -              | -              |
| <b>2 Indirect Exposure</b>   |                |                |
| Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)  | -              | -              |

In commutating the above information, certain estimates, assumption and adjustment have been made by the management which has been relied by the auditors



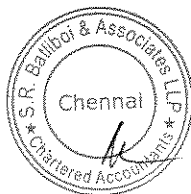
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**NOTE: 27**

**Employment benefits disclosures**

| Particulars  | March 31, 2016     | March 31, 2015   |
|--|--------------------|------------------|
| <b>Statement of Profit &amp; Loss Account</b>  |                    |                  |
| <u>Net employee benefit expense recognised in the employee cost</u>                        |                    |                  |
| Current Service Cost   | 1,311,000          | 107,000          |
| Interest Cost  | 8,000              | -                |
| Actuarial Loss/(Gain)  | 57,000             | -                |
|  | <b>1,376,000</b>   | <b>107,000</b>   |
| <b>Balance sheet</b>   |                    |                  |
| <u>Reconciliation of present value of the obligation and the fair value of plan assets</u> |                    |                  |
| Defined Benefit Obligation   | 1,483,000          | 107,000          |
| Fair Value of Plan Assets  | -                  | -                |
| <b>Surplus/(Deficit)</b>   | <b>(1,483,000)</b> | <b>(107,000)</b> |
| Experience Adjustment on Plan Liabilities: (Gain)/Loss                                     | 41                 | NA               |
| Experience Adjustment on Plan Assets: Gain/(Loss)  | NA                 | NA               |
| <b>Changes in the present value of the Defined Benefit Obligation(DBO) are as follows:</b> |                    |                  |
| <b>Present value of DBO at start of year</b>   | <b>107,000</b>     | <b>-</b>         |
| Current Service Cost   | 1,311,000          | 107,000          |
| Interest Cost  | 8,000              | -                |
| Benefits Paid  | -                  | -                |
| Actuarial Loss/(Gain)  | 57,000             | -                |
| <b>Present value of DBO at end of year</b>   | <b>1,483,000</b>   | <b>107,000</b>   |
| <b>Net Liability/ (Asset) recognised in the Balance Sheet</b>                              |                    |                  |
| Present Value of DBO   | 1,483,000          | 107,000          |
| Fair Value of Plan Assets  | -                  | -                |
| <b>Net Liability/(Asset)</b>   | <b>1,483,000</b>   | <b>107,000</b>   |
| Less: Unrecognised Past service cost   | -                  | -                |
| <b>Liability/(Asset) recognised in the Balance Sheet</b>                                   | <b>1,483,000</b>   | <b>107,000</b>   |
| <b>Of which, Short term Provision</b>  | <b>6,000</b>       | <b>NIL</b>       |
| <b>Actuarial Assumptions</b>   |                    |                  |
| Salary Growth Rate   | 8% p.a.            | 8% p.a.          |
| Discount Rate  | 7.5% p.a.          | 7.8% p.a.        |
| Withdrawal/Attrition Rate  | 15% p.a.           | 15% p.a.         |
| Expected average remaining working lives of employees                                      | 5 Years            | 5 Years          |



*Signature*





Manappuram Home Finance Private Limited  
Notes to the Financial statements for the year ended March 31, 2016  
(All amounts are in Indian Rupees, unless otherwise stated)

iii) Asset Liability Management  
Maturity pattern of certain types of Assets and Liabilities as at March 31, 2016

| Liabilities           | 1 day to 30/31 days (one month) | Over one month to 2 months | Over 2 month upto 3 months | Over 3 months to 6 months | Over 6 months to 1 year | Over 1 year to 3 years | Over 3 years to 5 years | Over 5 years to 7 years | Over 7 years to 10 years | Total         |
|-----------------------|---------------------------------|----------------------------|----------------------------|---------------------------|-------------------------|------------------------|-------------------------|-------------------------|--------------------------|---------------|
| Borrowings from banks | -                               | -                          | -                          | 8,333,333                 | 16,666,667              | 266,666,667            | 266,666,667             | 141,666,667             | -                        | 700,000,000   |
| Market borrowings     | -                               | -                          | -                          | -                         | -                       | -                      | -                       | -                       | -                        | -             |
| Assets                | 1 day to 30/31 days (one month) | Over one month to 2 months | Over 2 month upto 3 months | Over 3 months to 6 months | Over 6 months to 1 year | Over 1 year to 3 years | Over 3 years to 5 years | Over 5 years to 7 years | Over 7 years to 10 years | Total         |
| Advances (net)        | 3,725,015                       | 1,930,479                  | 1,953,318                  | 5,999,443                 | 12,652,048              | 60,547,906             | 79,817,497              | 101,417,691             | 200,852,289              | 1,286,154,940 |
| Investments           | 190,000,000                     | -                          | -                          | -                         | -                       | -                      | -                       | -                       | 817,259,254              | 190,000,000   |

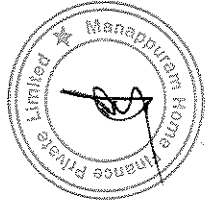
Maturity pattern of certain types of Assets and Liabilities as at March 31, 2015

| Liabilities           | 1 day to 30/31 days (one month) | Over one month to 2 months | Over 2 month upto 3 months | Over 3 months to 6 months | Over 6 months to 1 year | Over 1 year to 3 years | Over 3 years to 5 years | Over 5 years to 7 years | Over 7 years to 10 years | Total      |
|-----------------------|---------------------------------|----------------------------|----------------------------|---------------------------|-------------------------|------------------------|-------------------------|-------------------------|--------------------------|------------|
| Borrowings from banks | -                               | -                          | -                          | -                         | -                       | -                      | -                       | -                       | -                        | -          |
| Market borrowings     | -                               | -                          | -                          | -                         | -                       | -                      | -                       | -                       | -                        | -          |
| Assets                | 1 day to 30/31 days (one month) | Over one month to 2 months | Over 2 month upto 3 months | Over 3 months to 6 months | Over 6 months to 1 year | Over 1 year to 3 years | Over 3 years to 5 years | Over 5 years to 7 years | Over 7 years to 10 years | Total      |
| Advances (net)        | 73,003                          | 30,531                     | 32,346                     | 107,893                   | 211,110                 | 958,625                | 1,311,551               | 1,729,441               | 3,252,139                | 21,984,094 |
| Investments           | -                               | -                          | -                          | -                         | -                       | -                      | -                       | -                       | 14,277,655               | -          |

These disclosures are given only for certain items of assets and liabilities from the Balance sheet as required by the above circular and is not a complete depiction of the asset liability maturity position of the Company as at March 31, 2016 and March 31, 2015.



*[Handwritten Signature]*



**Manappuram Home Finance Private Limited**

**Notes to the Financial statements for the year ended March 31, 2016**

(All amounts are in Indian Rupees, unless otherwise stated)

**NOTE: 28**

**Due to Micro, small and medium scale undertaking**

There are no amount due to enterprises covered under Micro, Small and Medium Enterprises Development Act, 2006, based on the information available with the Company as at March 31, 2016 and March 31, 2015. Further the Company has not paid any interest to any scale undertaking Micro, Small and Medium Enterprises during the year.

**NOTE: 29**

**Segment Information**

The Company is engaged in the business of providing housing finance loans within India. There being only one business segment and geographical segment, the segment information is not provided.

**NOTE: 30**

**Previous year figures**

Previous year figures have been regrouped / reclassified where necessary, to conform to this years' classification.

As per our report of even date

**For S. R. Batliboi & Associates LLP**

Chartered Accountants

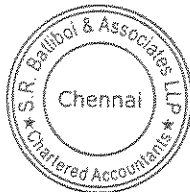
ICAI Firm registration number: 101049W/E300004




**per Bharath NS**

Partner

Membership no.: 210934



**For and on behalf of the board of directors**



**V. P. Nandakumar**

Chairman



**Shailesh J Mehta**

Director



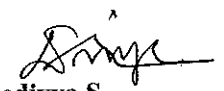
**Alope Ghosal**

CEO



**Vipul Patel**

CFO



**Sreedivya S**

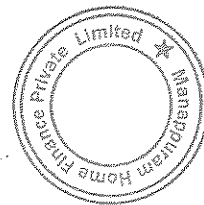
Company Secretary

Place: Valapad

Date : May 11 2016

Place: Valapad

Date : May 11 2016



**Auditor's Report**

To  
The Board of Directors  
Manappuram Home Finance Private Limited  
Unit No 202,  
2nd Floor, 'B' Wing, Business Square,  
151 Andheri-Kurla Road,  
Andheri (East),  
Mumbai 400 093

Dear Sirs,

Re: The Housing Finance Companies (NHB) Directions, 2010

We have audited, in accordance with auditing standards generally accepted in India, the financial statements of Manappuram Home Finance Private Limited ('the Company') for the year ended March 31, 2016 and have issued our opinion vide our report dated May 11, 2016. As per the requirements of The Housing Finance Companies (NHB) Directions, 2010 ('NHB Directions'), we report below on the matters specified in paragraphs 34 and 35 of the NHB Directions, based on the procedures performed as a part of our audit of the financial statements:

1. The Company was incorporated on October 7, 2010 and it has obtained the certificate of registration as required under section 29A of the National Housing Bank Act, 1987 and has been granted the certificate of registration dated September 11, 2014.
2. In our opinion, the requirements as specified under section 29B of National Housing Bank Act, 1987 are not applicable to the Company.
3. The Company has complied with section 29C of the National Housing Bank Act, 1987.
4. In our opinion, the Company has complied with the provision of the NHB Directions.
5. The capital adequacy ratio as disclosed in the return submitted to National Housing Bank ('NHB') has been correctly determined and the said ratio is in compliance with the minimum capital to risk weighted assets ratio as prescribed by NHB Directions.
6. a) The Board of Directors has passed a resolution for non-acceptance of any public deposits in the meeting held on May 12, 2012.  
b) The Company has not accepted any public deposits during the year;  
c) The Company has complied with prudential norms.

**For S R Batliboi & Associates LLP**  
Chartered Accountants  
ICAI Firm Registration No: 101049W/E300004



per **Bharath N S**  
Partner  
Membership no: 210934



Place: Chennai  
Date: June 23, 2016