



ANNUAL REPORT 2014 - 15

BOARD'S REPORT

To,
The Members
Manappuram Home Finance Private Limited

Your Directors are pleased to present the 5th 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, 2015.

1. Financial Results at a glance

(Amount in Rs.)

Description	2014-15	2013-14
Total Revenue	94,26,605	55,68,275
Profit Before Tax	(58,90,486)	47,77,868
Provision for Taxes/Deferred tax	...	17,04,035
Net Profit	(58,90,486)	30,73,833
Profit b/f from previous years	33,80,607	9,21,541
Amount available for appropriations	(25,09,879)	39,95,374
Less: Transfer to Special Reserve (Under section 29C of the NHB Act, 1987)	...	6,14,767
Less: Proposed dividend tax	...	---
Balance carried forward to next year	(25,09,879)	33,80,607

During the year under review, the company has started its commercial operation and obtained the business of Rs. 2.20 crores. The total Income from business stands to Rs. 6,31,194/- and the income from other sources comes to Rs. 87,56,818/- which is in the form of Interest on Fixed Deposits. In line with business plan submitted with NHB and also for disbursement purpose, the company has increased its Net Owned Fund (NOF) as on 31st March 2015 which comes to Rs. 44.66 crores.

Outlook for 2015-16

The Company has started its commercial operations in January 2015. It has been set up to cater to the affordable housing space. Recent trends and progress of housing finance indicate a strong and buoyant demand in properties in the affordable housing space. Accordingly, Company expects to tap the housing finance in this segment. During the year 2015-16, the company plans to operate from branches in urban and semi-urban locations in South and West. The focus of the Company would be tap this market segment, and provide high class service by implementing best practice in the industry. The Company has implemented IT Systems after a detailed system analysis to suit its needs. The strong IT backbone will provide high quality service to customers, and provide end-to-end solution to the business. Your Company has introduced attractive home loan products, and specific tailor-made products would be soon introduced. With strong demand, professional management and strong brand and network support of the parent, Company expects to scale up its business significantly during 2015-16.

2. Dividend

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



For Manappuram Home Finance Private Ltd:

[Signature]

3. Raising of Additional Capital

During the year under review, the company has issued 3,39,00,000 equity shares, consequent to the allotment, the paid up capital of the company has increased to Rs. 45,00,00,000/- as on 31st March 2015.

4. Reserves

During the year the company has incurred a loss of around Rs. 58.90 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. I. Unnikrishnan director of the company whose period of office is liable to be determination by retirement by rotation and not offers himself for reappointment. Further company resolves not to fill that vacancy.

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 9th Annual General Meeting of the Company.

9. Director & KMP changes

Mr. T. Balakrishnan, Nandakumaran Puthazhath appointed as additional Directors on 18.06.2014 and confirmed as Independent Directors by the shareholders at their meeting held on 21st July 2014.

Mr. Shailesh J Mehta appointed as an additional Director (Non Executive & Independent) on 25th July 2014.

Mr. Alope Ghosal appointed as Chief Executive Officer w.e.f. 05.09.2014

Dr. Sumitha Jayasankar, Promoter Nominee appointed as Non Executive Director on 23.12.2014



or Manappuram Home Finance Private Ltd.

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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 seven times during the year and the dates are as follows

22/04/2014	23/12/2014
18/06/2014	02/02/2015
25/07/2014	18/03/2015
29/10/2014	

12 Disclosure on Composition of Audit Committee

Sl No	Name of the Director	Position	Category
1	Shailesh J Mehta	Chairman	Non Executive & Independent
2	I.Unnikrishnan	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 2014-15, your Company has not provided/made any loan, guarantee or investments as per section 186 of the Companies Act 2013.



For Manappuram Home Finance Private Ltd.

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16. During the year 2014-15, 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. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party.

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

As a well-established risk management system is a pre-requisite for a Housing Finance company, being a significant part of the financial system. Your Company is in the process of identifying the various factors developing Risk Management architecture that would actively measure, monitor and respond to risk.

21 Your Company is in the process of developing a Policy on Prevention Of Sexual Harassment of Women at Work place. However, 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 the profit and loss of the company for that period;



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- (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.

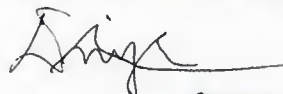
For and on behalf of the Board of Directors of
Manappuram Home Finance Private Limited


V.P.Nandakumar
Chairman



Place: Valapad
Date: May 13, 2015

For Manappuram Home Finance Private Ltd.



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Annexure I

Form No. MGT-9

EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31.03.2015

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

REGISTRATION AND OTHER DETAILS

i) CIN:-U65923MH2010PTC208754

ii) Registration Date : 7TH OCTOBER 2010

iii) Name of the Company : Manappuram Home Finance Private Limited
(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 vi)

Door No 501,
5th floor, Aishwarya Business Plaza,
Santacruz East, Kalina,
Mumbai-400098, Ph. No: 022 32260021

Whether listed company Yes / No ✓

vii) Name, Address and Contact details of Registrar and Transfer Agent, if any

S.K.D.C. Consultants Limited

Kanapathy Towers, 3rd Floor,
1391/A1, Sathy Road, Ganapathy,
Coimbatore – 641 006
Phone: +91 422 6549995, 2539835-836

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated:-

Sl. No.	Name and description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
	Housing Loan	8012	100%

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For Manappuram Home Finance Private Ltd.

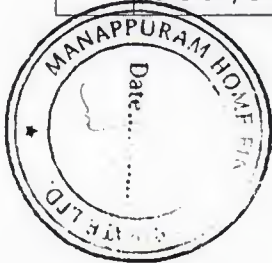
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III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S. No	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	Manappuram Finance Limited V/470A (Old) W/638(New), Manappuram House, Valapad PO, Thrissur- 680567, Kerala	L65910KL1992PLC006623	Holding	100	2(46)

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

. No.		shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No.of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	1,11,00,0000	100%	4,50,00,000	100%
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / sweat	29/03/2015 increase-right issue allotment 3,39,00,000			



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For Manappuram Home Finance Private Ltd.

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	equity etc):				
	At the End of the year	4,50,00,000			

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

	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	Date wise Increase / decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment /				
	At the End of the year (or on the date of separation, if separated during the year)				

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

Sl no		Shareholding at the beginning of the year	Cumulative Shareholding during the year



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	For Each of the Directors and KMP	No. of shares	% of total shares of the	No. of shares	% of total shares of the company
	At the beginning of the year				
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease <i>(e.g.)</i>				
	At the End of the year				

V. INDEBTEDNESS

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

	Secured Loans excluding	Unsecured Loans	Deposits	Total indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				



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Total (i+ii+iii)				
Change in Indebtedness during the financial year				
· Addition				
· Reduction				
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
Total (i+ii+iii)				

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

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



For Manappuram Home Finance Private Ltd.

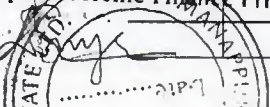
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	Stock Option				
	Sweat Equity				
	Commission - as % of profit - others, specify...				
	Others, please specify				
	Total (A)				
	Ceiling as per the Act				

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
		T.Balakrishnan	Nandakumaran Puthezhath	Shailesh J Mehta	
	Independent Directors Fee for attending board committee meetings Commission Others, please specify	100000	125000	100000	325000
	Total (1)	100000	125000	100000	325000
	4. Other Non-Executive Directors	Sumitha Jayasankar	I.Unnikrishnan		
	Fee for attending board committee meetings Commission Others, please specify	75000	50000		125000
	Total (2)	75000	50000		125000
	Total (B)=(1+2)	175000	175000	100000	450000
	Total Managerial Remuneration				
	Overall Ceiling as				

For Manappuram Home Finance Private Ltd.

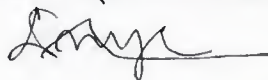

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C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

sl no	Particulars of Remuneration	Key Managerial Personnel			
		CEO*	Company Secretary	CFO	TOTAL
					3908985/-
	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		1047887/-		
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	28,61,098/-			
	(c) Profits in lieu of Stock Option	Nil			
	Sweat Equity	Nil			
	Commission - as % of profit - others, specify...				
	Others, please specify				
	Total				

*Sept to March 2015

For Manappuram Home Finance Private Ltd



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VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

NIL

Type	Section of the companies Act	Brief Description	Details of Penalty/Punishment/ Compounding fees imposed	Authority [RD/NCLT/COURT]	Appeal Made if any(give details)
A.COMPANY					
PENALTY			NIL		
PUNISHMENT			NIL		
COMPOUNDING			NIL		
B.DIRECTORS					
PENALTY			NIL		
PUNISHMENT			NIL		
COMPOUNDING			NIL		
C.OTHER OFFICERS IN DEFAULT					
PENALTY			NIL		
PUNISHMENT			NIL		
COMPOUNDING			NIL		

For and on behalf of the Board of Directors of
Manappuram Home Finance Private Limited

V.P.Nandakumar
Chairman



Place: Valapad
Date: May 13, 2015

For Manappuram Home Finance Private Ltd.

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COMPANY SECRETARY
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INDEPENDENT AUDITOR'S REPORT

To the Members of Manappuram Home Finance Private Limited (formerly, Milestone Home Finance Company Private Limited)

Report on the Financial Statements

We have audited the accompanying financial statements of Manappuram Home Finance Private Limited (formerly, Milestone Home Finance Company Private Limited) ("the Company"), which comprise the Balance Sheet as at March 31, 2015, 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 and financial performance 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 but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the effectiveness of such controls. 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.



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

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 state of affairs of the Company as at March 31, 2015, 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, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 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 books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, 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;
 - (e) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164 (2) of the Act; and
 - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company 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 are 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



per Bharath NS
Partner

Membership Number: 210934

Place of Signature: Chennai

Date: May 13, 2015



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 (formerly, Milestone Home Finance Company 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.
- (ii) (a) The Company's business does not involve inventories and accordingly, the requirement under paragraph provisions of clause 3(ii) of the Order are not applicable to the Company.
- (iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a) and (b) 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 is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for rendering of services. The activities of the Company do not involve purchase of inventory and the sale of goods. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.
- (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) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, wealth-tax, income-tax, service tax, cess and other material statutory dues applicable to it. The provisions relating to sales-tax, customs duty and excise duty are 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, wealth-tax, service tax, 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 information and explanations given to us, there are no dues of income tax, wealth tax, service tax and cess which have not been deposited on account of any dispute.
- (d) There were no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.



S.R. BATLIBOI & ASSOCIATES LLP

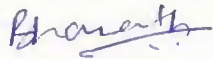
Chartered Accountants

- (viii) The Company has been registered for a period of less than five years and hence we are not required to comment on whether or not the accumulated losses at the end of the financial period is fifty per cent or more of its net worth and whether it has incurred cash losses in the current financial period and in the immediately preceding financial year.
- (ix) The Company has no dues in respect of financial institution, bank or debenture holders.
- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xi) The Company did not have any term loans outstanding during the year.
- (xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: I01049W



per Bharath NS
Partner

Membership Number: 210934

Chennai

May 13, 2015



Manappuram Home Finance Private Limited (formerly, Milestone Home Finance Company Private Limited)

Balance Sheet as at March 31, 2015

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

Particulars	Note No.	March 31, 2015	March 31, 2014
Equity and liabilities			
Shareholders' funds			
Share capital	3	45,00,00,000	11,10,00,000
Reserves and surplus	4	(15,99,239)	42,91,247
		44,84,00,761	11,52,91,247
Non-current liabilities			
Long-term provisions	5	87,936	-
Current liabilities			
Trade Payables	6	8,69,596	29,840
Other current liabilities	7	14,82,264	-
Short-term provisions	8	2,51,417	10,71,208
		26,03,277	11,01,048
TOTAL		45,10,91,974	11,63,92,295
Assets			
Non-current assets			
Fixed assets			
Tangible assets	9	15,57,703	-
Capital work in progress		22,00,500	-
Long-term loans and advances	10	2,15,29,211	-
Other non-current assets	12	10,11,081	-
		2,62,98,495	-
Current assets			
Cash and bank balances	11	41,77,70,895	11,21,10,701
Short-term loans and advances	10	7,56,430	1,00,120
Other current assets	12	62,66,154	41,81,474
		42,47,93,479	11,63,92,295
Total		45,10,91,974	11,63,92,295

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

Bharath NS

Bharath NS
Partner
Membership no.: 210934



For and on behalf of the board of directors

V. P. Nandakumar

V. P. Nandakumar
Chairman

Shailesh J Mehta

Shailesh J Mehta
Director

Sreedivya.S

Sreedivya.S
Company Secretary

Place: Chennai
Date : May 13, 2015

Place: Valapad
Date : May 13, 2015

Manappuram Home Finance Private Limited (formerly, Milestone Home Finance Company Private Limited)

Statement of profit and loss for the year ended March 31, 2015

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

	Notes	March 31, 2015	March 31, 2014
Income			
Revenue from operations	13	93,88,012	55,68,275
Other Income		38,593	-
Total revenue		94,26,605	55,68,275
Expenses			
Employee benefits expense	14	76,00,038	-
Other expenses	15	75,37,204	7,90,407
Depreciation and amortization expense	16	91,913	-
Provision for Standard Assets		87,936	-
Total expenses		1,53,17,091	7,90,407
Profit/(loss) before tax		(58,90,486)	47,77,868
Tax expenses			
Current tax		-	17,04,035
Deferred tax		-	-
Total tax expense		-	17,04,035
Profit/(Loss) for the year		(58,90,486)	30,73,833

Loss per equity share [Nominal value of share Rs. 10]

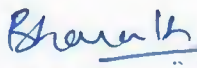
Net profit/ (loss) available to equity shareholders	(58,90,486)	30,73,833
Weighted average number of equity shares used in computing basic loss per share	1,14,71,507	61,54,795
Basic earning /(loss) per share (equity shares, par value Rs 10 each)	(0.51)	0.50

Summary of significant accounting policies 2

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


As per our report of even date

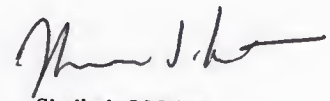
For S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W

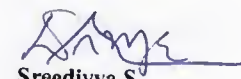

Bharath NS
Partner
Membership no.: 210934



For and on behalf of the board of directors


V. P. Nandakumar
Chairman


Shailesh J Mehta
Director


Sreedivya.S
Company Secretary

Place: Chennai
Date : May 13, 2015

Place: Valapad
Date : May 13, 2015

Manappuram Home Finance Private Limited (formerly, Milestone Home Finance Company Private Limited)

Cash flow Statement for the year ended March 31, 2015

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

	March 31, 2015	March 31, 2014
A. Cash flow from operating activities		
Net profit before taxation	(58,90,486)	47,77,868
Depreciation and amortization	91,913	-
Interest Income on fixed deposits	(87,56,818)	(55,68,275)
Provision for standard assets	87,936	-
Operating profit before working capital changes	(1,44,67,455)	(7,90,407)
Movements in working capital :		
Increase/ (decrease) in trade payable	8,39,756	9,187
Increase/ (decrease) in other current liabilities and provisions	14,82,264	(82,407)
Decrease / (increase) in long-term loans and advances	(2,15,29,211)	-
Decrease / (increase) in short-term loans and advances	(6,56,310)	(1,145)
Decrease / (increase) in other current assets	(52,490)	-
Increase / (decrease) in Provisions	1,07,000	-
Cash generated from /(used in) operations	(3,42,76,446)	(8,64,772)
Direct taxes paid (net of refunds)	(19,37,872)	-
Net cash flow from/ (used in) operating activities (A)	(3,62,14,318)	(8,64,772)
B. Cash flows from investing activities		
Purchase of fixed assets, including CWIP	(38,50,116)	-
Interest received on fixed deposits	67,24,628	15,17,424
Net cash flow from/ (used in) investing activities (B)	28,74,512	15,17,424
C. Cash flows from financing activities		
Proceeds from issuance of equity share capital	33,90,00,000	7,00,00,000
Net cash flow from/ (used in) in financing activities (C)	33,90,00,000	7,00,00,000
Net increase/(decrease) in cash and cash equivalents (A + B + C)	30,56,60,194	7,06,52,652
Cash and cash equivalents at the beginning of the year	11,21,10,701	4,14,58,049
Cash and cash equivalents at the end of the year	41,77,70,895	11,21,10,701
Components of cash and cash equivalents		
Cash on hand		
With banks	5,131	674
- in current account	35,74,65,764	3,95,10,027
- in deposit account	6,03,00,000	7,26,00,000
Total cash and cash equivalents (note 15)	41,77,70,895	11,21,10,701

For S. R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm registration number: 101049W

Bharath NS

Bharath NS

Partner

Membership no.: 210934



Place: Chennai

Date : May 13, 2015

For and on behalf of the board of directors

V. P. Nandakumar

V. P. Nandakumar
Chairman

Shailesh J Mehta

Shailesh J Mehta
Director

Sreedivya.S

Sreedivya.S
Company Secretary

Place: Valapad

Date : May 13, 2015

Manappuram Home Finance Private Limited (formerly, Milestone Home Finance Company Private Limited)

Notes to financial statements for the year ended March 31, 2015

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

1. Corporate information

Manappuram Home Finance Private Limited (formerly, Milestone Home Finance Company Private Limited) ('the Company') was incorporated on October 27, 2010 under the provisions of the Companies Act, 1956. The Company is a Non-Deposit accepting Housing Finance Company registered with National Housing Bank (NHB) under the provisions of National Housing Bank Act 1987 ('NHB Act'). The Company is engaged in providing housing loan.

2. Basis of preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with accounting principles generally accepted in India, including the Accounting standards notified under Section 133 of the Companies Act, 2013 read together with Paragraph 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

2.1 Summary of significant accounting policies

(a) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

(b) Tangible fixed assets

Tangible fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.



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Manappuram Home Finance Private Limited (formerly, Milestone Home Finance Company Private Limited)
Notes to financial statements for the year ended March 31, 2015
(All amounts are in Indian rupees, unless otherwise stated)

(c) Depreciation

Depreciation on fixed assets is provided on a straight-line basis using the rates arrived at based on the useful lives estimated by the management. The Company has used the following rates to provide depreciation/ amortization on its fixed assets.

Particulars	Useful life
Computers	3 years
Furniture and fittings*	3-5 years

*The Company has estimated useful life which is different for Schedule II useful life's based on technical advice obtained by the management.

(d) Impairment

The carrying amounts of assets are reviewed at each balance sheet date to determine if there is any indication of impairment based on internal / external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

(e) Leases

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

(f) Revenue recognition

Interest income/fees on housing loan is accounted for an accrual basis, except interest on non-performing assets and charges for delayed payments and cheque bouncing, if any, which are accounted on receipt basis.

Dividend is accounted on an accrual basis when the right to receive the dividend is established.

Loan processing fees are recognised on receipt of such fees.

Interest income on fixed deposit is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.



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K. V. Prasad
Srinivas

Manappuram Home Finance Private Limited (formerly, Milestone Home Finance Company Private Limited)

Notes to financial statements for the year ended March 31, 2015

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

(g) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme and the contributions are charged to the statement of profit and loss for the period when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective funds.

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on the projected unit credit method made at the end of each financial year.

Actuarial gains and losses are recognized in full in the period in which they occur in the statement of profit and loss. The Company presents the leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

(h) Income taxes

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

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

(i) Earnings per share

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



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J. M. Srinivas

Manappuram Home Finance Private Limited (formerly, Milestone Home Finance Company Private Limited)

Notes to financial statements for the year ended March 31, 2015

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

(j) Provisions

- (i) A provision is recognized when the Company has a present obligation as a result of past event and, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.
- (ii) Loan and other credit facilities are classified as per the National Housing Bank (NHB) guidelines, into performing and non-performing assets. Further non-performing assets are classified into sub-standard, doubtful and loss assets and provision made based on the criteria stipulated by NHB guidelines. Additional provision are made against specific non-performing assets over and above stated in NHB guidelines, if in the opinion of the management, increased provisions are necessary.

(k) Contingent liabilities

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



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A handwritten signature in blue ink, appearing to be 'Singh', with a horizontal line extending to the right.

Manappuram Home Finance Private Limited (formerly, Milestone Home Finance Company Private Limited)
Notes to the Financial statements for the year ended March 31, 2015
 (All amounts are in Indian Rupees, unless otherwise stated)

NOTE: 3

SHARE CAPITAL

	March 31, 2015	March 31, 2014
Authorized		
50,000,000 Equity Shares (Previous year 15,000,000 Equity Shares) of Rs.10/- each	50,00,00,000	15,00,00,000
Issued, subscribed and paid-up		
45,000,000 Equity Shares (Previous year 11,100,000 Equity Shares) of Rs.10/- each	45,00,00,000	11,10,00,000
Total issued, subscribed and fully paid-up share capital	45,00,00,000	11,10,00,000

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

Equity shares

	March 31, 2015		March 31, 2014	
	No. of share	Amount	No. of share	Amount
At the beginning of the period	1,11,00,000	11,10,00,000	41,00,000	4,10,00,000
Issued during the period	3,39,00,000	33,90,00,000	70,00,000	7,00,00,000
Outstanding at the end of the period	4,50,00,000	45,00,00,000	1,11,00,000	11,10,00,000

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 ensuing 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, 2015		March 31, 2014	
	No. of equity shares held	% of holding	No. of equity shares held	% of holding
Equity shares of Rs. 10 each fully paid				
Manappuram Finance Limited (Holding company)	4,50,00,000	100%	1,11,00,000	100%

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



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Shankar V. Balibol

Shankar

Manappuram Home Finance Private Limited (formerly, Milestone Home Finance Company Private Limited)

Notes to the Financial statements for the year ended March 31, 2015

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

NOTE: 4

RESERVE AND SURPLUS

March 31, 2015 March 31, 2014

Special Reserve

Pursuant to Section 29-C of the National Housing Bank Act, 1987

As per last Balance Sheet	9,10,640	2,95,873
Add: Transfer from Surplus	-	6,14,767
Closing Balance	<u>9,10,640</u>	<u>9,10,640</u>

Surplus/ (deficit) in the statement of profit and loss

As per last Balance Sheet	33,80,607	9,21,541
Profit /(loss) for the year	(58,90,486)	30,73,833

Less: Transferred to Special Reserve

Transfer to Reserve fund pursuant to Section 29-C of the National Housing Bank Act, 1987	-	(6,14,767)
--	---	------------

Net surplus/ (deficit) in the statement of profit and loss

<u>(25,09,879)</u>	<u>33,80,607</u>
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Total reserve and surplus

<u>(15,99,239)</u>	<u>42,91,247</u>
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NOTE: 5

Long-term provisions

Provision for standard assets


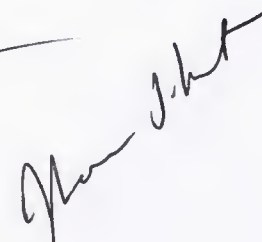
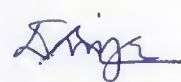
87,936	-
<u>87,936</u>	<u>-</u>

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.87,936 (March 31, 2013 Rs. Nil) towards standard loans as per the prudential norms of NHB.

Movement in provision of standard assets is as under:

Particulars	March 31, 2015	March 31, 2014
Opening balance	-	-
Addition during the year	87,936	-
Utilised during the year	-	-
Closing balance	87,936	-



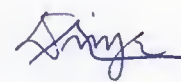


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Manappuram Home Finance Private Limited (formerly, Milestone Home Finance Company Private Limited)
Notes to the Financial statements for the year ended March 31, 2015
 (All amounts are in Indian Rupees, unless otherwise stated)

	March 31, 2015	March 31, 2014
NOTE: 6		
Trade Payables (Refer note 24 for MSME Disclosure)	8,69,596	29,840
	<u>8,69,596</u>	<u>29,840</u>
 NOTE: 7		
Other Current Liabilities		
Amount due to Related parties (refer note 19)	4,16,329	-
Payable for capital purchase	4,02,378	-
Statutory dues payables	6,40,578	-
Retention Money	22,979	-
	<u>14,82,264</u>	<u>-</u>
 NOTE: 8		
Short-Term Provisions		
Provision for taxation (net of advance tax payments and tax deducted at source)	1,44,417	10,71,208
Provision for employee benefits		
Provision for gratuity	1,07,000	-
	<u>2,51,417</u>	<u>10,71,208</u>



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Manappuram Home Finance Private Limited (formerly, Milestone Home Finance Company Private Limited)

Notes to the Financial statements for the year ended March 31, 2015

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

NOTE: 9

Tangible assets

	Computer equipment	Furniture and Fittings	Total
Cost			
At 1 April 2013	-	-	-
Additions	-	-	-
Deletions	-	-	-
At 31 March 2014	-	-	-
Cost			
At 1 April 2014	-	-	-
Additions	9,58,595	6,91,021	16,49,616
Deletions/adjustment	-	-	-
At 31 March 2015	9,58,595	6,91,021	16,49,616
Accumulated Depreciation			
At 1 April 2013	-	-	-
Charge for the year	-	-	-
Deletions	-	-	-
At 31 March 2014	-	-	-
Accumulated Depreciation			
At 1 April 2014	-	-	-
Charge for the year	63,399	28,514	91,913
Disposals/adjustment	-	-	-
At 31 March 2015	63,399	28,514	91,913
Net Block at 31 March 2014	-	-	-
Net Block at 31 March 2015	8,95,196	6,62,507	15,57,703



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Manappuram Home Finance Private Limited (formerly, Milestone Home Finance Company Private Limited)

Notes to the Financial statements for the year ended March 31, 2015

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

NOTE: 10

Loans and advances

	Non Current		Current	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Loan & other credit facilities				
Secured considered good				
Housing loans	2,12,67,863	-	4,38,846	-
Other loans	2,61,348	-	16,037	-
	2,15,29,211	-	4,54,883	-
Unsecured, considered doubtful				
Housing loans	-	-	-	-
Other loans	-	-	-	-
Other loans and advances				
<u>Unsecured considered good</u>				
Balances with government authorities	-	-	3,01,547	1,00,120
	-	-	3,01,547	1,00,120
	2,15,29,211	-	7,56,430	1,00,120

NOTE: 11

Cash and bank balances

Cash and cash equivalents

March 31, 2015 March 31, 2014


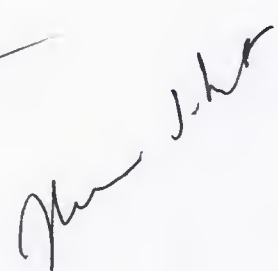

Cash on hand	5,131	674
Balances with banks:		
On current accounts	35,74,65,764	3,95,10,027
	35,74,70,895	3,95,10,701
<u>Other bank balances</u>		
Deposits with original maturity for more than 3 months but less than 12 months	6,03,00,000	7,26,00,000
	6,03,00,000	7,26,00,000
	41,77,70,895	11,21,10,701

NOTE: 12

Other current assets

	Non Current		Current	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
<u>Interest accrued</u>				
-on Loan Portfolio (Secured, considered good)	-	-	34,119	-
-on Fixed deposits	-	-	62,13,664	41,81,474
Advance tax and tax deducted at source (net of Provision for taxation)	10,11,081	-	-	-
Others	-	-	18,371	-
	10,11,081	-	62,66,154	41,81,474



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Manappuram Home Finance Private Limited (formerly, Milestone Home Finance Company Private Limited)

Notes to the Financial statements for the year Ended March 31, 2015

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

NOTE: 13

Revenue from operations

Interest income - Home Loan
Interest income - Bank Deposits

March 31, 2015 **March 31, 2014**

	1,37,709	-
	87,56,818	55,68,275
	88,94,527	55,68,275

Other operating income

Application and Processing Fees

	4,93,485	-
	4,93,485	-

Revenue from operation

	93,88,012	55,68,275
--	------------------	------------------

NOTE: 14

Employee benefits expense

Salaries and Wages
Contribution to provident and other funds
Gratuity expense

	74,22,790	-
	70,248	-
	1,07,000	-
	76,00,038	-

NOTE: 15

Other expenses

Rent Expense
Electricity Expense
Travelling, conveyance & lodging
Insurance
Printing and stationary
Communication
Rates and taxes
Legal, Professional and consultancy
Advertisement
Directors sitting fees
Miscellaneous expenses

	11,22,512	-
	63,305	-
	4,12,811	-
	31,150	-
	68,857	-
	1,01,368	-
	35,41,770	-
	16,69,544	7,90,407
	32,701	-
	4,50,000	-
	43,186	-
	75,37,204	7,90,407

Payment to auditor

As auditor (Included in Legal, Professional and Consultancy Charges)

Audit fee
Reimbursement of expenses

	5,00,000	16,854
	20,000	-
	5,20,000	16,854

NOTE: 16

Depreciation expense

Depreciation of tangible assets

	91,913	-
	91,913	-



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Manappuram Home Finance Private Limited (formerly, Milestone Home Finance Company Private Limited)
Notes to the Financial statements for the year ended March 31, 2015
 (All amounts are in Indian Rupees, unless otherwise stated)

NOTE: 17

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	March 31, 2015	March 31, 2014
Housing	-	-
Non Housing	-	-
Total	-	-

Particulars	March 31, 2015	March 31, 2014
Provision for sub-standard assets	-	-
Provision for doubt-full assets	-	-
Provision for loss assets	-	-
Total	-	-

NOTE: 18

Earnings per share (EPS)

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

	March 31, 2015	March 31, 2014
Net profit/(loss) for calculation of basic EPS	(58,90,486)	30,73,833
Weighted average number of equity shares in calculating basic EPS (Nos.)	1,14,71,507	61,54,795
Basic EPS (Rs)	(0.51)	0.50
Diluted EPS (Rs)	(0.51)	0.50

NOTE: 19

Related party transactions with whom transactions have taken place during the year

Names of related parties


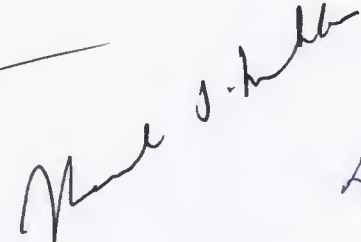

Holding company

Manappuram Finance Limited

Key management personnel (KMP)

Mr V. P. Nandakumar (Director)
 Mr Aloke Ghosal (Chief Executive Officer)
 Mrs. Sreedivya (Company Secretary)



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Manappuram Home Finance Private Limited (formerly, Milestone Home Finance Company Private Limited)

Notes to the Financial statements for the year ended March 31, 2015

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

Particulars	Holding Company		KMP	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Issue of Equity shares				
Manappuram Finance Limited	33,90,00,000	7,00,00,000	-	-
Rent, Electricity and telephone expenses				
Manappuram Finance Limited	11,98,572	-	-	-
Printing charges				
Manappuram Finance Limited	24,186	-	-	-
Salary				
Mr. Alope Ghosal	-	-	28,61,098	-
Mrs. Sreedivya	-	-	10,47,887	-
Expenses reimbursed by the Company				
Manappuram Finance Limited	5,56,954	-	-	-
Expenses reimbursed to the Company				
Manappuram Finance Limited	44,328	-	-	-
Security deposit received				
Manappuram Finance Limited	4,00,000	-	-	-
Security deposit refunded				
Manappuram Finance Limited	4,00,000	-	-	-
Purchase of Fixed assets				
Manappuram Finance Limited	72,010	-	-	-
Amounts payable (net) to related parties				
Manappuram Finance Limited	4,16,329	-	-	-



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Manappuram Home Finance Private Limited (formerly, Milestone Home Finance Company Private Limited)

Notes to the Financial statements for the year ended March 31, 2015

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

Note 20

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, 2015	March 31, 2014
Balance at the begeing of the year		
A) Statutory Reserve u/s 29C of the NHB Act	9,10,640	2,95,873
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.	-	-
C) Total		
Addition/Appropriation/Withdrawal during the year		
Amount transferred u/s 29C of the NHB Act	-	6,14,767
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.	-	-
Less:		
Amount appropriated from statutory reserve u/s 29C of the NHB Act	-	-
Amount withdrawn from 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.	-	-
Balance at the end of the year		
A) Statutory Reserve u/s 29C of the NHB Act	9,10,640	9,10,640
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: 21

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, 2015	March 31, 2014
1) CRAR %	2,317.64	2,692.70
2) CRAR - Tier I capital %	2,317.18	2,692.70
3) CRAR - Tier II capital %	0.46	-



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Manappuram Home Finance Private Limited (formerly, Milestone Home Finance Company Private Limited)

Notes to the Financial statements for the year ended March 31, 2015

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

ii) Exposure to Real estate sector

Particulars	March 31, 2015	March 31, 2014
1) Direct Exposure		
a) Residential Mortgages		
(i) Lending fully secured by mortgage on residential property that is or will be occupied by the borrower or that is rented.	2,19,84,094	-
(ii) Individual loans upto Rs 15 lakhs included in 1 a(i) above	89,95,732	-
b) Commercial Real Estate		
Lending fully secured by mortgage on commercial real estate (office buildings, retail space, multiplepurpose 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.	-	-
c) Investments in Mortgage Backed Securities (MBS) and other securitised exposures:		
i) Residential	-	-
ii) Commercial Real Estate	-	-
2 Indirect Exposure		
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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iii) Asset Liability Management

Maturity pattern of certain types of items 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	1,07,893	2,11,110	9,58,625	13,11,351	17,29,441	32,52,139	1,42,77,655
Investments	-	-	-	-	-	-	-	-	-	2,19,84,094

Maturity pattern of certain types of items of Assets and Liabilities as at March 31, 2014

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)	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-

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, 2015 and March 31, 2014.



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Manappuram Home Finance Private Limited (formerly, Milestone Home Finance Company Private Limited)
Notes to the Financial statements for the year ended March 31, 2015

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

Note 22: Employment benefits disclosures:

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is

The following tables summaries the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the gratuity plan.

Statement of Profit and Loss

Net employee benefit expense recognised in the employee cost

	March 31, 2015
Current service cost	1,07,000
Interest cost on benefit obligation	-
Expected return on plan assets	-
Net actuarial (gain)/loss recognized in the year	-
Net (benefit) / expense	1,07,000
Actual return on plan assets	-

Balance sheet

Reconciliation of present value of the obligation and the fair value of plan assets:

	March 31, 2015
Defined benefit obligation	1,07,000
Fair value of plan assets	-
Asset/(liability) recognized in the balance sheet	(1,07,000)
Experience adjustments on plan liabilities (Gain) / Loss	NA
Experience adjustments on plan assets Gain / (Loss)	NA

Changes in the present value of the defined benefit obligation are as follows:

	March 31, 2015
Opening defined benefit obligation	-
Interest cost	-
Current service cost	1,07,000
Benefits paid	-
Actuarial loss / (gain) on obligation	-
Closing defined benefit obligation	1,07,000

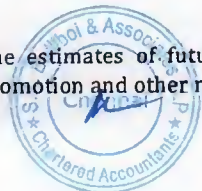
Changes in the fair value of plan assets are as follows:

	March 31, 2015
Opening fair value of plan assets	-
Expected return	-
Contributions by employer	-
Benefits paid	-
Actuarial gains / (losses)	-
Closing fair value of plan assets	-

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

	March 31, 2015
	%
Salary growth rate	8.0%
Discount rate	7.8%
Attrition rate	15%
Expected rate of return on assets	8.5%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.



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NOTE: 23

Additional disclosures as per NHB Direction, 2010

a) NHB had imposed penalty of Rs.1,000 for late submission of Schedule II - Half yearly return with reference to Company's position as on March 31, 2014 vide its letter dated August 25, 2014. NHB has waived the penalty imposed based on the explanation of the facts and request of the Company vide its letter dated September 03, 2014.

b) NHB vide its letter dated September 02, 2014 informed that the Company did not make requisite disclosure on Reserve Fund in its Notes forming part of Financial Statement for the financial year 2013-14, as per the format prescribed in paragraph 3 of NHB's Policy Circular No 61 dated April 07, 2014 on Reserve Fund under Section 29C of the NHB Act, 1987 and asked for the explanation from the Company. The Company has submitted the reply vide its letter dated September 05, 2014 and based on the explanation provided, NHB has considered the same in light of assurance to ensure compliance in future vide letter dated September 24, 2014.

NOTE: 24

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, 2015 and March 31, 2014. Further the Company has not paid any interest to any scale undertaking Micro, Small and Medium Enterprises during the year.

NOTE: 25

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: 26

Previous year figures

Previous year figures have been regrouped / reclassified where necessary, to conform to this years' classification. Previous year numbers has been audited by a firm other than S. R. Batliboi & Associates LLP. The Company has commenced its home finance operation only from January 2015. Accordingly, current year figures are strictly not comparable with previous year figures.

As per our report of even date

For S. R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm registration number: 101049

Bharath

per Bharath NS

Partner

Membership no.: 210934



Place: Chennai

Date : May 13, 2015

For and on behalf of the board of directors

V. P. Nandakumar

V. P. Nandakumar
Chairman

Shailesh J Mehta

Shailesh J Mehta
Director

Sreedivya.S

Sreedivya.S
Company Secretary

Place: Valapad

Date : May 13, 2015