



A home for everyone

ANNUAL REPORT 2015 -16

BOARD'S REPORT

To,
The Members
Manappuram Home Finance Private Limited

Your Directors are pleased to present the 6th 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 31st 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 31st 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 9th 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 5th 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

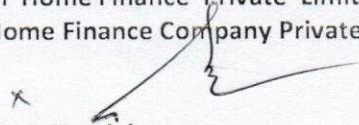
As required under clause (c) of sub-section (3) Section 134 of the Companies Act, 2013, the Board of Directors hereby declares that :-

- (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:

i) CIN	:U65923KL2010PTC039179
ii) Registration Date	07 th 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	:IV/470A(Old)W638A(New) Manappuram House P.O Valapad Phone: 3050419/435/413
vi) Whether listed company	: No
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	: S.K.D.C.Consultants Limited Category I Registrars and Share Transfer Agents Kanapathy Towers, 3 rd Floor, 1391/A1, Sathy Road, Ganapathy, Coimbatore – 641 006, Phone: +91 422 6549995, 2539835-836 Email: info@skdc-consultants.com

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
Indebtedness at the beginning of the financial year				
i) Principal Amount	-			-
ii) Interest due but not paid				-
iii) Interest accrued but not due				-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
* Addition	14,750.00			14,750.00
* Reduction	(7,750.00)			(7,750.00)
Net Change	7,000.00	-	-	7,000.00
Indebtedness at the end of the financial year				
i) Principal Amount	7,000.00			7,000.00
ii) Interest due but not paid	-			-
iii) Interest accrued but not due	-			-
Total (i+ii+iii)	7,000.00	-	-	7,000.00

(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 Puthezhath	Mr.Shailesh J 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 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 (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.

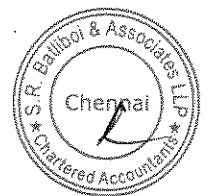
Auditor's Responsibility

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



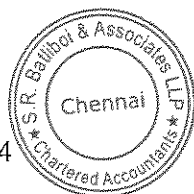
per Bharath N S

Partner

Membership Number: 210934

Place of Signature: Chennai

Date: May 11, 2016



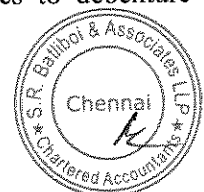
S.R. BATLIBOI & ASSOCIATES LLP

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.

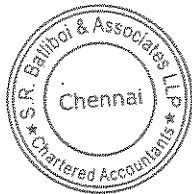
For S.R. Batliboi & Associates LLP

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

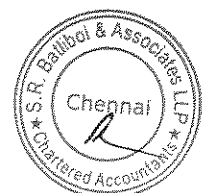
The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial 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.



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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.

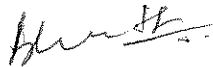
Opinion

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**

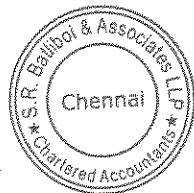
Chartered Accountants

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
Equity and liabilities			
Shareholders' funds			
Share capital	3	1,000,000,000	450,000,000
Reserves and surplus	4	(55,402,254)	(1,599,239)
		944,597,746	448,400,761
Non-current liabilities			
Long-term borrowings	5	675,000,000	-
Long-term provisions	6	6,519,158	193,116
		681,519,158	193,116
Current liabilities			
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
		36,624,478	2,498,097
TOTAL		1,662,741,382	451,091,974
Assets			
Non-current assets			
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
		1,281,402,172	26,298,495
Current assets			
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
		381,339,210	424,793,479
Total		1,662,741,382	451,091,974

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

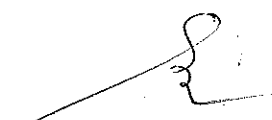
As per our report of even date

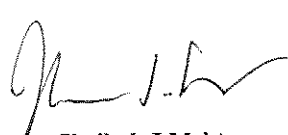
For S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004



Bharath N S
Partner
Membership no.: 210934

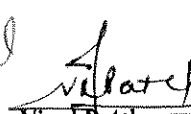


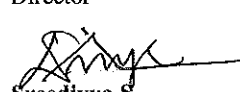
For and on behalf of the board of directors


V. P. Nandakumar
Chairman


Shailesh J Mehta
Director

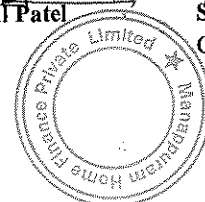

Alope Ghosal
CEO


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 March 31, 2016	Year ended March 31, 2015
Income			
Revenue from operations	17	98,559,143	9,388,012
Other Income		63,891	38,593
Total revenue		98,623,034	9,426,605
Expenses			
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
Total expenses		152,426,049	15,317,091
Profit/(loss) before tax		(53,803,015)	(5,890,486)
Tax expenses			
Current tax		-	-
Deferred tax		-	-
Total tax expense		-	-
Profit/(Loss) for the year		(53,803,015)	(5,890,486)
Loss per equity share [Nominal value of share Rs. 10]			
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.

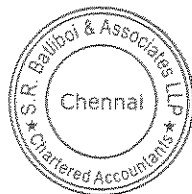
As per our report of even date

For S. R. Batliboi & Associates LLP

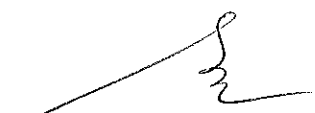
Chartered Accountants

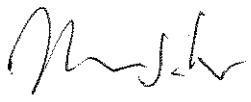
ICAI Firm registration number: 101049W/E300004

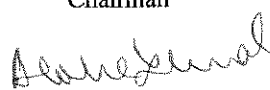

Bharath N S
 Partner
 Membership no.: 210934




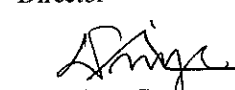
For and on behalf of the board of directors


V. P. Nandakumar
 Chairman


Shailesh J Mehta
 Director


Aloke Ghosal
 CEO


Vipul Patel
 CFO

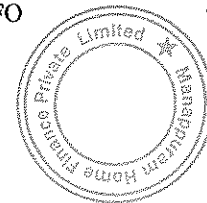

Sreedivya S
 Company Secretary

Place: Valapad

Date : May 11 2016

Place: Valapad


Date : May 11 2016

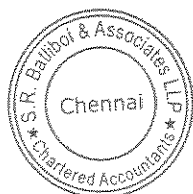


Manappuram Home Finance Private Limited
Cash flow Statement for the year ended March 31, 2016
(All amounts are in Indian Rupees, unless otherwise stated)

	Year ended March 31, 2016	Year ended March 31, 2015
A. Cash flow from operating activities		
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
Operating loss before working capital changes	(45,834,603)	(5,710,637)
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
Cash generated from / (used in) operations	(1,307,379,462)	(27,551,818)
Direct taxes paid (net of refunds)	171,376	(1,937,872)
Net cash flow from/ (used in) operating activities (A)	(1,307,208,086)	(29,489,690)
B. Cash flows from investing activities		
Purchase of fixed assets, including CWIP	(13,916,601)	(3,850,116)
Investment in Mutual Funds	(190,000,000)	-
Net cash flow from/ (used in) investing activities (B)	(203,916,601)	(3,850,116)
C. Cash flows from financing activities		
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	-
Net cash flow from/ (used in) in financing activities (C)	1,250,031,208	339,000,000
Net increase/(decrease) in cash and cash equivalents (A + B + C)	(261,093,479)	305,660,194
Cash and cash equivalents at the beginning of the year	417,770,895	112,110,701
Cash and cash equivalents at the end of the year	156,677,416	417,770,895
Components of cash and cash equivalents		
Cash on hand	3,603	5,131
With banks		
- in current account	156,673,813	357,465,764
- in deposit account	-	60,300,000
Total cash and cash equivalents (note 16)	156,677,416	417,770,895

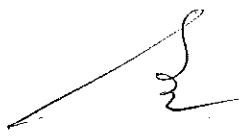
For S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004



Bharath N S
Partner
Membership no.: 210934

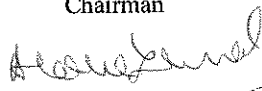


Place: Valapad
Date : May 11 2016

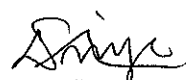
For and on behalf of the board of directors


V. P. Nandakumar
Chairman

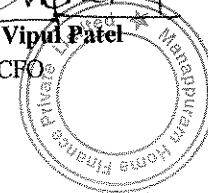

Shailesh J Mehta
Director


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

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
Outstanding at the end of the period	100,000,000	1,000,000,000	45,000,000	450,000,000

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 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.

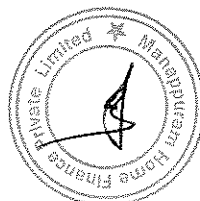
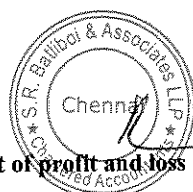
c. Details of shareholders holding more than 5% shares in the Company

	March 31, 2016		March 31, 2015	
	No. of equity shares held	% of holding	No. of equity shares held	% of holding
Equity shares of Rs. 10 each fully paid				
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 March 31, 2016	As at March 31, 2015
Special Reserve		
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	910,640	910,640
Surplus/ (deficit) in the statement of profit and loss		
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)
Total reserve and surplus	(55,402,254)	(1,599,239)



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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: 6

Long-term provisions

Provision for gratuity
Provision for standard assets

	As at March 31, 2016	As at March 31, 2015
	1,477,023	107,000
	5,042,135	86,116
	6,519,158	193,116

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	-	-
Closing balance	5,144,379	87,936
Provision for standard Assets - Current	102,244	1,820
Provision for standard Assets - Non Current	5,042,135	86,116
Total	5,144,379	87,936

	As at March 31, 2016	As at 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
	4,765,125	869,596

NOTE: 8

Short term Borrowings

Cash credit / Overdraft facilities from banks (secured)

The above amount includes

Secured borrowings

Total

	31,208	-
	31,208	-
	31,208	-
	31,208	-

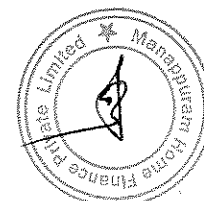
Cash credit / Overdraft facilities from banks and Working Capital demand loan from banks (secured)

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	-
Total	31,208	-

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

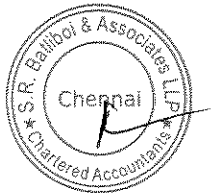
	As at March 31, 2016	As at March 31, 2015
Current maturities of long-term borrowings (Refer Note 5)	25,000,000	-
Amount due to Related parties	-	416,329
Payable for Employees	2,324,330	-
Payable for fixed asset purchase	-	402,378
Statutory dues payables	4,112,697	640,578
Other current liabilities	138,457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

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
Provision for employee benefits		
Provision for gratuity	6,000	-
	252,661	146,237



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 March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
Loans and advances				
Loan & other credit facilities				
Secured considered good				
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
	1,260,132,833	21,529,211	25,561,001	454,883
Deposits (Unsecured, considered good)				
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	-
Other loans and advances				
Unsecured considered good				
Balances with government authorities	-	-	216,456	301,547
	1,265,799,633	21,529,211	26,244,536	756,430

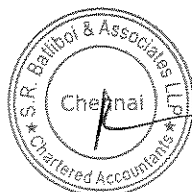
NOTE: 14

	Non Current		Current	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
Other assets				
Interest accrued				
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
	839,705	1,011,081	8,417,258	6,266,154

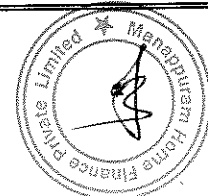
NOTE: 15

CURRENT INVESTMENTS

	As at March 31, 2016	As at March 31, 2015
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	-
	190,000,000	-



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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: 16

Cash and bank balances

Cash and cash equivalents

Cash on hand

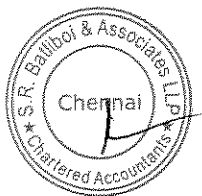
Balances with banks:

On current accounts

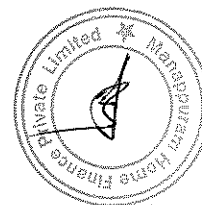
Other bank balances

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

	As at March 31, 2016	As at March 31, 2015
Cash on hand	3,603	5,131
Balances with banks: On current accounts	156,673,813	357,465,764
	<u>156,677,416</u>	<u>357,470,895</u>
<u>Other bank balances</u> 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 March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
Term loans				
Indian rupee loan from banks (secured)	675,000,000	-	25,000,000	-
	675,000,000	-	25,000,000	-
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)	
Net Amount	675,000,000	-	-	-

A) Indian rupee loan from banks (secured)

As at March 31, 2016

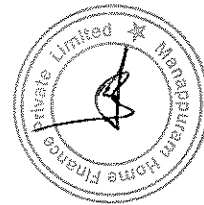
Terms of repayment

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
Total		675,000,000	25,000,000

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 March 31, 2016	Year ended March 31, 2015
Revenue from operations		
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>
Other operating income		
Application and processing fees	21,567,261	493,485
Other Income	620,665	-
	<u>22,187,926</u>	<u>493,485</u>
	<u>98,559,143</u>	<u>9,388,012</u>

NOTE: 18

Employee benefits expense		
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

Finance Cost		
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

Other expenses		
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>

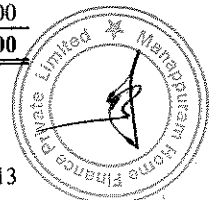
NOTE: 11 & 12

Depreciation expense

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



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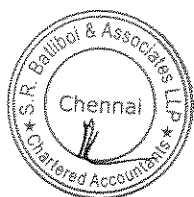
Manappuram Home Finance Private Limited

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

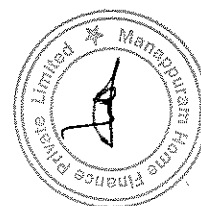
(All amounts are in Indian Rupees, unless otherwise stated)

NOTE: 11**Tangible assets**

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



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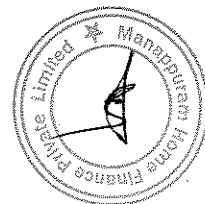
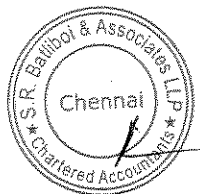


Manappuram Home Finance Private Limited**Notes to the Financial statements for the year ended March 31, 2016**

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

NOTE: 12**Intangible assets**

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



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 March 31, 2016	Year ended March 31, 2015
Housing	-	-
Non Housing	-	-
Total	-	-

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Provision for sub-standard assets	-	-
Provision for doubt-ful assets	-	-
Provision for loss assets	-	-
Total	-	-

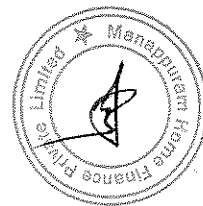
NOTE: 22**Earnings per share (EPS)**

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

	Year ended March 31, 2016	Year ended 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

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

* No transactions during the year.

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



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
Balance at the begeing of the year		
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.	-	-
C) Total		
Balance at the end of the year		
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:

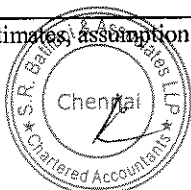
i) Capital to risk assets ratio (CRAR)

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%

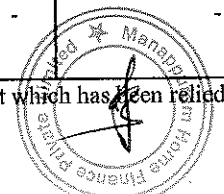
ii) Exposure to Real estate sector

Particulars	March 31, 2016	March 31, 2015
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.	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) Commercial Real Estate		
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.	-	-
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



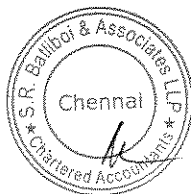
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NOTE: 27

Employment benefits disclosures

Particulars	March 31, 2016	March 31, 2015
Statement of Profit & Loss Account		
<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	-
	1,376,000	107,000
Balance sheet		
<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	-	-
Surplus/(Deficit)	(1,483,000)	(107,000)
Experience Adjustment on Plan Liabilities: (Gain)/Loss	41	NA
Experience Adjustment on Plan Assets: Gain/(Loss)	NA	NA
Changes in the present value of the Defined Benefit Obligation(DBO) are as follows:		
Present value of DBO at start of year	107,000	-
Current Service Cost	1,311,000	107,000
Interest Cost	8,000	-
Benefits Paid	-	-
Actuarial Loss/(Gain)	57,000	-
Present value of DBO at end of year	1,483,000	107,000
Net Liability/ (Asset) recognised in the Balance Sheet		
Present Value of DBO	1,483,000	107,000
Fair Value of Plan Assets	-	-
Net Liability/(Asset)	1,483,000	107,000
Less: Unrecognised Past service cost	-	-
Liability/(Asset) recognised in the Balance Sheet	1,483,000	107,000
Of which, Short term Provision	6,000	NIL
Actuarial Assumptions		
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



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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)

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	-	-	-	-	-	-	-	-	190,000,000

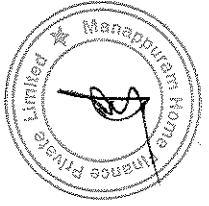
Maturity pattern of certain types of Assets and Liabilities as at March 31, 2015

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	-	-	-	-	-	-	-	-	-	-

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.



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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: 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's classification.

As per our report of even date

For S. R. Batliboi & Associates LLP

Chartered Accountants

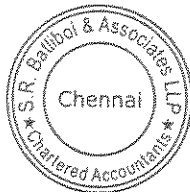
ICAI Firm registration number: 101049W/E300004



per Bharath NS

Partner

Membership no.: 210934



For and on behalf of the board of directors



V. P. Nandakumar

Chairman



Shailesh J Mehta

Director



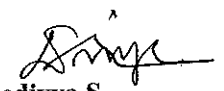
Alope Ghosal

CEO



Vipul Patel

CFO



Sreedivya S

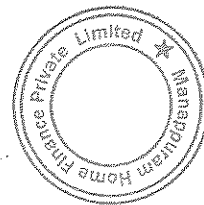
Company Secretary

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