

RANGAMANI & CO.,
CHARTERED ACCOUNTANTS

E-mail : info@rangamani.com
Phone: 0484-4034486
Triden, 1st Floor
Plakkat Colony
Kaloor-Kadavanthara Road
Kochi

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MUTHOOT HOMEFIN (INDIA) LIMITED

Report on the Standalone Financial Statements

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

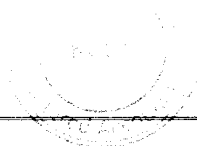
Management's Responsibility for the Standalone Financial Statements

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 standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act, as applicable. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of these standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone 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 and the Order under Section 143(11) of the Act.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical



requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone 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 standalone 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 the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 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 'A', a statement on the matters specified in the paragraph 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 purposes of our audit.
 - b) In our opinion, proper books of account as required by law relating to preparation of the standalone financial statements have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of these standalone financial statements.

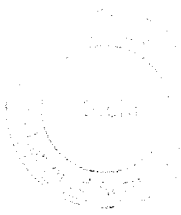
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, as applicable.
- e) On the basis of the written representations received from the Directors as on March 31, 2016, taken on record by the Board of Directors, 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 B'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Independent Auditors' 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 has made provision in its financial statements, as required under the applicable law or accounting standards, for material foreseeable losses on long term contracts including derivative contracts;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Rangamani & Co
Chartered Accountants
(Firm Registration No.: 003050 S)



Place: Kochi
Date: May 25, 2016

Ashwin S
Partner
Membership No. 221214

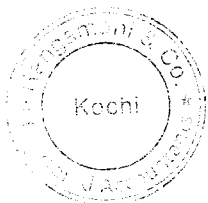


ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government in terms of Section 143(11) of the Companies Act, 2013 ('the Act') of Muthoot Homefin (India) Limited ('the Company')

- (i) In respect of the Company's fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
 - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) The Company does not hold any immovable property. Accordingly, the provisions of clause 3 (i) (c) of the Order is not applicable to the Company.
- (ii) The Company is a Housing Finance Company engaged in the business of providing loans and therefore does not hold any physical inventories. Accordingly, the provisions of clause 3 (ii) of the Order is not applicable to the Company.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, and limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2016 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company and therefore, the provisions of the clause 3 (vi) of the Order are not applicable to the Company.



- (vii) (a) According to the information and explanations given to us, the Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Value Added Tax, duty of Customs, duty of Excise, Cess and other material statutory dues applicable to it with the appropriate authorities.

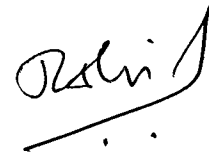
According to the information and explanations given to us, there are no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Value Added Tax, duty of Customs, duty of Excise, Cess and other material statutory dues in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no material dues of Income Tax, Sales Tax, Service Tax, duty of Customs, duty of Excise and Value Added Tax which have not been deposited on account of any dispute.
- (viii) The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3 (viii) of the Order is not applicable.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations given to us and based on our examinations of the records of the Company, the Company has paid/ provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.



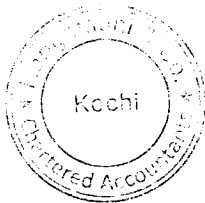
- (xiv) The Company has made private placement of shares during the year under review. The Company has complied with the requirements of section 42 of the Companies Act, 2013 and the amounts raised have been used for the purposes for which the funds were raised.
- (xv) In our opinion and according to the information and explanations given to us during the year, the Company has not entered into any non-cash transactions with its Directors or persons connected to its Directors and hence reporting under clause 3(xv) of the Order is not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Rangamani & Co
Chartered Accountants
(Firm Registration No.: 003050 S)



Place: Kochi
Date: May 25, 2016

Ashwin S
Partner
Membership No. 221214



ANNEXURE 'B' TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the internal financial controls over financial reporting of Muthoot Homefin (India) Limited ('the Company') as of March 31, 2016 in conjunction with our audit of the standalone 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 (the 'Guidance Note'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the 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 auditors' judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that; (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with 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 unauthorized 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

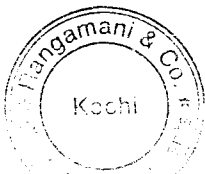
In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as 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 Rangamani & Co
Chartered Accountants
(Firm Registration No.: 003050 S)



Place: Kochi
Date: May 25, 2016

Ashwin S
Partner
Membership No. 221214



RANGAMANI & CO.,

CHARTERED ACCOUNTANTS

E-mail : info@rangamani.com

Phone: 0484-4034486

Triden, 1st Floor

Plakkat Colony

Kaloor-Kadavanthara Road

Kochi

INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF MUTHOOT HOMEFIN (INDIA) LIMITED

As required by The Housing Finance Companies (NHB) Directions, 2010, we state that:

- (i) The company has obtained a certificate of registration dated 19th May 2014 from National Housing Bank;
- (ii) According to the information and explanations given to us, the company is not accepting/holding deposits and hence the liquidity requirements as specified under Section 29B of the National Housing Bank Act, 1987 is not applicable to the company;
- (iii) The company has complied with Section 29C of the National Housing Bank Act, 1987;
- (iv) The company has complied with the provisions of The Housing Finance Companies (NHB) Directions, 2010, as amended from time to time;
- (v) According to the information and explanations given to us, the capital adequacy ratio as disclosed in the return submitted to National Housing Bank has been correctly determined by the company and such ratio is in compliance with the minimum capital to risk weighted asset ratio as prescribed by the National Housing Bank Directions;
- (vi) According to the information and explanations given to us:
 - a) the Board of Directors has passed a resolution for non-acceptance of any public deposits;
 - b) the company has not accepted any public deposits during the year;
 - c) the company has complied with the NHB prudential norms.

For Rangamani & Co

Chartered Accountants

(Firm Registration No.: 003050 S)



Place: Kochi

Date: May 25, 2016

Ashwin S

Partner

Membership No. 221214

MUTHOOT HOMEFIN (INDIA) LIMITEDRegistered and Corporate Office: Muthoot Chambers,
Kurian Towers, Banerji Road, Ernakulam North, Kochi, 682 018, India.

CIN No. U65922KL2011PLC029231

Ph .No. 0484 6690511, Website : www.muthoothomefin.com, Email id: homefin@muthootgroup.com

BALANCE SHEET AS AT 31st MARCH 2016


Particulars	Note No.	As on 31/03/2016	As on 31/03/2015
		Rs.	Rs.
EQUITY AND LIABILITIES			
Shareholders' Funds			
(a) Share Capital	3	50,00,00,000.00	10,50,00,000.00
(b) Reserves & Surplus	4	6,86,78,257.26	1,44,27,504.65
		56,86,78,257.26	11,94,27,504.65
Non current Liabilities			
(a) Deferred Tax Liability (net)	5	18,395.00	3,570.00
(b) Long Term Provision	6	74,588.00	-
Current liabilities			
(a) Trade Payables & Other Current Liabilities	7	20,04,705.57	12,74,816.69
(b) Short Term Provision	8	12,59,513.00	67,536.00
TOTAL		57,20,35,458.83	12,07,73,427.34
ASSETS			
Non current Assets			
(a) Fixed Assets	9		
i. Tangible Assets		2,66,153.00	65,122.00
ii. Capital Work-in-progress		1,84,66,782.90	-
(b) Long-Term Loans & Advances	10	31,24,63,785.00	2,00,23,017.46
Current Assets			
(a) Current Investments	11	17,52,54,245.18	-
(b) Trade Receivables	12	-	7,715.43
(c) Cash and Bank Balances	13	4,76,42,428.75	9,68,90,301.00
(d) Short -Term Loans & Advances	10	1,24,56,004.00	8,27,182.45
(e) Other current assets	14	54,86,060.00	29,60,089.00
TOTAL		57,20,35,458.83	12,07,73,427.34

Notes on accounts form part of final accounts

For and on behalf of the Board of Directors

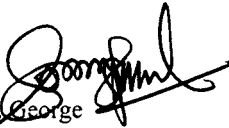
As per our Report of even date attached

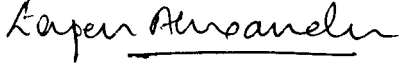
For Rangamani & Co
Chartered Accountants
(FRN: 003050 S)


Ashwin S
Partner
Membership No. 221214

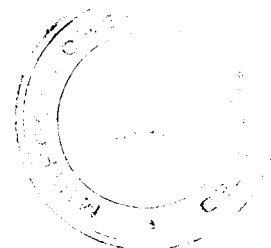
Place: Kochi
Date : 25.05.2016


George Alexander Muthoot
Director


P. P. George
Chief Financial Officer


Eapen Alexander
Whole time Director


Jinu Mathen
Company Secretary



MUTHOOT HOMEFIN (INDIA) LIMITED

Registered and Corporate Office: Muthoot Chambers,
Kurian Towers, Banerji Road, Ernakulam North, Kochi, 682 018, India.

CIN No. U65922KL2011PLC029231

Ph.No. 0484 6690511, Website : www.muthoothomefin.com, Email id: homefin@muthootgroup.com

STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31st MARCH 2016

Particulars	Note No.	Year ended	Year ended
		31/03/2016	31/03/2015
		<u>Rs.</u>	<u>Rs.</u>
INCOME			
Revenue from Operations	15	1,11,53,766.66	1,63,354.34
Other Income	16	81,75,117.59	95,55,879.00
TOTAL		1,93,28,884.25	97,19,233.34
EXPENSES			
Employee benefits expense	17	76,17,282.40	12,34,262.00
Depreciation and amortization expense	9	39,619.00	20,830.00
Provisions & write offs	18	11,91,977.00	67,536.00
Other Expenses	19	97,50,521.24	9,67,035.00
TOTAL		1,85,99,399.64	22,89,663.00
Profit before Tax		7,29,484.61	74,29,570.34
Current Tax		5,78,907.00	23,13,036.00
Deferred Tax		(14,825.00)	(3,570.00)
Profit for the year		1,35,752.61	51,12,964.34
Earnings per equity share:	23		
Basic		0.01	0.49
Diluted		0.01	0.49

Notes on accounts form part of final accounts

For and on behalf of the Board of Directors

As per our Report of even date attached

For Rangamani & Co
Chartered Accountants
(FRN: 003050 S)

Ashwin S
Partner
Membership No. 221214

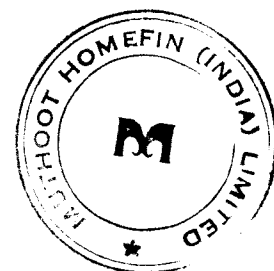
George Alexander Muthoot
Director

P. P. George
Chief Financial Officer

Eapen Alexander
Whole time Director

Jinu Mathen
Company Secretary

Place: Kochi
Date : 25.05.2016



MUTHOOT HOMEFIN (INDIA) LIMITEDRegistered and Corporate Office: Muthoot Chambers,
Kurian Towers, Banerji Road, Ernakulam North, Kochi, 682 018, India.

CIN No. U65922KL2011PLC029231

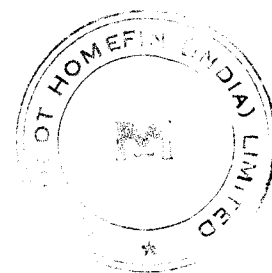
Ph.No. 0484 6690511, Website : www.muthoothomefin.com, Email id: homefin@muthootgroup.com

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2016

<u>Particulars</u>	<u>Year Ended March 31,2016</u>	<u>Year Ended March 31,2015</u>
A Cash Flow From Operating Activities		
Net Profit Before Taxation	7,29,484.61	74,29,570.34
Adjustments for:-		
Add: Depreciation and amortisation	39,619.00	20,830.00
Add: Provision for Standard Assets	11,91,977.00	67,536.00
Add: Provision for Gratuity	74,588.00	-
Less: Profit on Sale of Investments	(2,54,245.18)	-
Less: Interest received on Bank Deposits	(31,52,300.00)	(95,53,919.00)
Operating profit before working capital changes	(13,70,876.57)	(20,35,982.66)
Adjustments for:-		
(Increase)/ Decrease in Trade Receivables	7,715.43	(7,715.43)
(Increase)/ Decrease in Loans & advances	(30,40,69,589.09)	(2,08,50,199.91)
Increase/ (Decrease) in Other current assets	(29,23,911.00)	-
Increase/ (Decrease) in Current liabilities	7,29,888.88	5,83,165.00
Cash generated from Operations	(30,76,26,772.35)	(2,23,10,733.00)
Income Taxes paid	18,98,700.00	24,21,500.00
Net cash from Operating activities	(30,95,25,472.35)	(2,47,32,233.00)
B Cash Flow From Investing Activities		
Investments in Mutual Funds	(24,00,00,000.00)	-
Purchase of Fixed Assets	(2,40,650.00)	(85,952.00)
(Increase) / Decrease in Capital Work in Progress	(1,84,66,782.90)	-
Sale of Investments	6,50,00,000.00	-
Interest Received on Bank Deposit	48,70,033.00	77,87,932.00
Net Cash from Investing Activities	(18,88,37,399.90)	77,01,980.00
C Cash From Financing Activities		
Proceeds from issue of Share Capital	39,50,00,000.00	-
Proceeds from issue of Share Capital (securities premium)	5,41,15,000.00	-
(Increase)/ Decrease in bank deposits held for greater than 3 months	1,14,07,590.00	7,63,19,316.00
Net cash flow from Financing Activities	46,05,22,590.00	7,63,19,316.00
Net increase in cash & cash equivalents	(3,78,40,282.25)	5,92,89,063.00
Cash & cash equivalents at the beginning of the year	8,49,82,711.00	2,56,93,648.00
Cash And Cash Equivalent At The End of The Year	4,71,42,428.75	8,49,82,711.00
Components of Cash and Cash Equivalents at the end of the year		
Current Account with Banks	4,57,34,330.25	2,36,315.00
Deposit with Banks	-	8,46,80,840.00
Cash on Hand	14,08,098.50	65,556.00
	4,71,42,428.75	8,49,82,711.00

Notes on accounts form part of final accounts
As per our Report of even date attached

For and on behalf of the Board of Directors

For Rangamani & Co
Chartered Accountants
(FRN: 003050 S)Ashwin S
Partner
Membership No. 221214Place: Kochi
Date : 25.05.2016George Alexander Muthoot
DirectorP. P. George
Chief Financial OfficerEapen Alexander
Whole time DirectorJinu Mathan
Company Secretary

NOTES ON ACCOUNTS

1 COMPANY BACKGROUND

M/S Muthoot Homefin (India) Limited was incorporated on 26th August 2011. The Company obtained the certificate of registration under the National Housing Bank ("NHB") as required under Section 29A of the NHB Act, 1987 on 19th May, 2014. The Company is primarily engaged in the business of providing long term finance to any person or persons, company, corporation, firm, society, association of persons, body of individuals, either with or without interest, either with or without security for the purpose of enabling the borrower to construct, purchase, acquire, renovate, modify, extend, enlarge or repair any house, villa, flat, apartment on the terms and conditions as the company may deem fit.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 ACCOUNTING CONCEPTS

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable, the National Housing Bank Act, 1987 and the Housing Finance Companies (NHB) Directions, 2010 as amended from time to time. The financial statements have been prepared on accrual basis under the historical cost convention except interest on loans which have been classified as non-performing assets and are accounted for on realisation basis. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2.2 USE OF ESTIMATES

The preparation of financial statements in conformity with the accounting standards generally accepted in India requires the management to make estimates that affect the reported amount of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statement and reported amounts of revenues and expenses for the year. Actual results could differ from these estimates.

2.3 REVENUE RECOGNITION

a) Interest on housing loans:

Repayment of housing loans is by way of Equated Monthly Instalments (EMI) comprising principal and interest. Interest is calculated on monthly reducing balance method. EMI commences once the entire loan is disbursed. Pending commencement of EMI, pre-EMI monthly interest is payable on the loan amount already disbursed.

Interest on performing assets is recognised on accrual basis and on non-performing assets on realisation basis as per the guidelines prescribed by the National Housing Bank.

b) Processing fees and documentation charges are recognised on disbursement of loans.

c) Interest on Fixed deposits is accounted on accrual basis.

d) All other income are accounted on accrual basis

2.4 CLASSIFICATION AND PROVISIONING OF LOAN PORTFOLIO

Loans and other credit facilities are classified as standard, sub-standard, doubtful, and loss assets in accordance with the extant Housing Finance Companies, (NHB) Directions, 2010, as amended from time to time.

Loans are provided for as per the management's estimates, subject to the minimum provision required as per the extant Housing Finance Companies, (NHB) Directions, 2010, as amended from time to time.

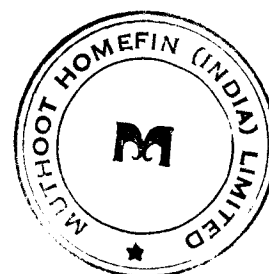
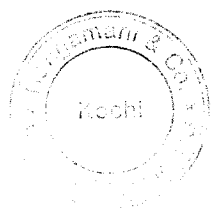
2.5 EARNINGS PER SHARE

In determining earnings per share, the companies consider the net profit after tax. The number of shares used in computing basic earnings per share is weighted average number of shares outstanding during the year. Diluted earnings per share is computed using weighted average number of basic and dilutive common equivalent shares outstanding during the year, except where the result would be anti-dilutive. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued later.

2.6 FIXED ASSETS

Fixed assets are stated at actual cost less accumulated depreciation. The actual cost capitalized includes material cost, freight, installation cost and other incidental expenses incurred during the construction /installation stage attributable cost of bringing the asset to its working condition for its intended use.

Depreciation is charged at the rates derived based on the useful lives of the assets specified in Schedule II of the Companies Act, 2013 on Written Down Value method.



2.7 PROVISION FOR CONTINGENCIES

Provision for Contingencies has been made on standard as well as on non-performing housing loans as per the Prudential Norms prescribed by the National Housing Bank.

2.8 INVESTMENTS

Investments intended to be held for not more than a year are classified as current investments. All current investments are carried at lower of cost or market value/realizable value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in values is made to recognize a decline, other than temporary in the value of the investments.

2.9 INTANGIBLE ASSETS

Intangible assets are recognized in the accounts only if it is probable that the future economic benefits that are attributable to the assets will flow into the company and cost of the assets can be reliably measured.

2.10 EMPLOYEE BENEFITS

A) Short Term Employee Benefits:

Short Term Employee Benefits for services rendered by employees are recognized during the period when the services are rendered.

B) Post employment benefits:

a) Defined Contribution Plan

Provident Fund

All eligible employees of the company are entitled to receive benefits under the provident fund, a defined contribution plan in which both the employee and the company contribute monthly at a stipulated percentage of the covered employees salary. Contributions are made to Employees Provident Fund Organization in respect of Provident Fund, Pension Fund and Employees Deposit Linked Insurance Scheme at the prescribed rates and are charged to Statement of Profit & Loss at actuals. The company has no liability for future provident fund benefits other than its annual contribution.

b) Defined Benefit Plan

Gratuity

The Company provides for gratuity covering eligible employees under which a lumpsum payment is paid to vested employees at retirement, death, incapacitation or termination of employment, of an amount reckoned on the respective employee's salary and his tenor of employment with the Company. The Company accounts for its liability for future gratuity benefits based on actuarial valuation determined at each Balance Sheet date by an Independent Actuary using Projected Unit Credit Method. The Company recognizes the net obligation of the gratuity plan in the Balance Sheet as an asset or liability, respectively in accordance with Accounting Standard 15, 'Employee Benefits'. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss in the period in which they arise.

2.11 TAXES ON INCOME

Tax expenses for the current year comprises of current tax and deferred tax (asset or liability). Current taxes are measured at the amounts expected to be paid using the applicable tax rates and tax laws. Deferred tax assets and liabilities are recognized on timing differences between accounting income and taxable income for the period and are measured using rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date.

2.12 IMPAIRMENT OF ASSETS

The carrying amounts of assets are reviewed at each balance sheet date to ascertain impairment based on internal/external factors. An impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of the net selling price of the assets or their value in use. After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life. A previously recognized impairment loss is increased or reversed depending on changes in circumstances.

2.13 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

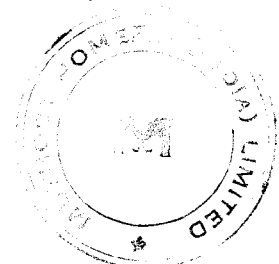
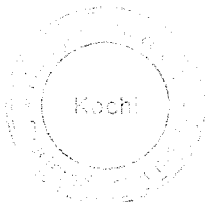
Provisions are recognized only when the company has present or legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic benefit will be required to settle the transaction and a reliable estimate can be made for the amount of obligation.

Contingent liability is disclosed for

- i) Possible obligations which will be confirmed only by future events not wholly within the control of the company or
- ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.
- iii) Contingent assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

2.14 STATUTORY/SPECIAL RESERVE

The Company creates Statutory / Special Reserve every year out of its profits in terms of Sec 36(1) (viii) of the Income Tax Act, 1961 read with Sec 29C of the National Housing Bank Act, 1987.



NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2016

Amounts in the financial statements are in Rupees, except for share data and as otherwise stated.

3 SHARE CAPITAL**3.1 Share Capital**

Particulars	As on 31.03.2016	As on 31.03.2015
Authorised 5,00,00,000 Equity Shares of Rs. 10/- each (Previous Year: 1,10,00,000 Equity Shares of Rs. 10/- each)	50,00,00,000.00	11,00,00,000.00
Issued, Subscribed & Paid up 5,00,00,000 Equity Shares of Rs. 10/- each (Previous Year: 1,05,00,000 Equity Shares of Rs. 10/- each)	50,00,00,000.00	10,50,00,000.00

3.2 Terms and Rights attached to Equity Shares

- a) The Company has only one class of equity shares having par value of Rs.10 per share. All these shares have the same rights and preferences with respect to the payment of dividend, repayment of capital and voting.
- b) Company has not issued any preference shares.
- c) In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders

3.3 The reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2016 and March 31, 2015 is set out below:

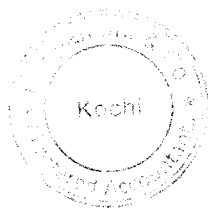
Particulars	Equity Shares			
	As on 31.03.2016		As on 31.03.2015	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	10500000	10,50,00,000.00	10500000	10,50,00,000.00
Shares issued during the year	39500000	39,50,00,000.00	-	-
Shares outstanding at the end of the year	50000000	50,00,00,000.00	10500000	10,50,00,000.00

3.4 Disclosure as to the shareholders holding more than 5 percent shares

Sl. No.	Name of Share holder	As on 31.03.2016		As on 31.03.2015	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
1	M.G.George Muthoot	1600000	3.20	1600000	15.24
2	George Thomas Muthoot	1600000	3.20	1600000	15.24
3	George Jacob Muthoot	1600000	3.20	1600000	15.24
4	George Alexander Muthoot	1600000	3.20	1600000	15.24
5	Sara George	600000	1.20	600000	5.71
6	Susan Thomas	600000	1.20	600000	5.71
7	Elizabeth Jacob	600000	1.20	600000	5.71
8	Anna Alexander	600000	1.20	600000	5.71
9	Muthoot Vehicle & Assets Finance Ltd.	1700000	3.40	1700000	16.20
10	Muthoot Finance Ltd.	39500000	79.00	-	-

3.5 During the year the Company has allotted 39,500,000 Equity Shares of face value of Rs.10/- each at premium of Rs.1.37/- per share for an aggregate amount of Rs. 449,115,000.00 to Muthoot Finance Limited by way of Private Placement.

3.6 As at March 31, 2016 the holding company Muthoot Finance Limited holds 79 % equity share capital of the company.

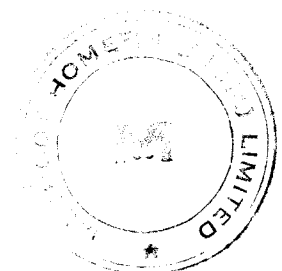
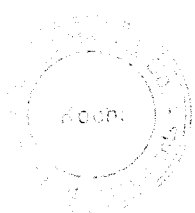


4 RESERVES AND SURPLUS

Particulars	As on 31.03.2016	As on 31.03.2015
a. Special Reserve U/s. 29 C of NHB Act, 1987 (Refer Note 4.1)		
Balance at the beginning of the year	10,22,593.00	-
Add:- Transfer from current year profit	27,151.00	10,22,593.00
Less:- Appropriation during the year	-	-
	10,49,744.00	10,22,593.00
b. Securities Premium Account		
Balance at the beginning of the year	-	-
Add : -Securities Premium on additional issue of Equity shares	5,41,15,000.00	-
Less:- Appropriation during the year		
	5,41,15,000.00	-
b. Surplus/(Deficit) in the Statement of Profit and Loss		
Balance at the beginning of the year	1,34,04,911.65	93,14,540.31
Add:- Net Profit for the year	1,35,752.61	51,12,964.34
Less:- Transfer to Special Reserve U/s. 29 C of NHB Act ,1987	27,151.00	10,22,593.00
	1,35,13,513.26	1,34,04,911.65
Closing Balance	6,86,78,257.26	1,44,27,504.65

4.1 Statement for Disclosure on Statutory / Special Reserves, as prescribed by NHB vide its circular no NHB(ND)/DRS/Pol. Circular 61/2013-14 dated April 7, 2014:

Particulars	As on 31.03.2016	As on 31.03.2015
Balance at the beginning of the year		
a) Statutory reserve u/s 29C of the National Housing Bank Act, 1987	10,22,593.00	-
b) Amount of Special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purpose of Statutory Reserve under Section 29C of the NHB Act, 1987	-	-
c) Total	10,22,593.00	-
Addition/ Appropriation/ Withdrawal during the year		
Add:		
a) Amount transferred u/s 29C of the NHB Act, 1987	27,151.00	10,22,593.00
b) Amount of Special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purpose of Statutory Reserve under Section 29C of the NHB Act, 1987	-	-
Less:		
a) Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act, 1987	-	-
b) Amount withdrawn from Special reserve u/s 36(1)(viii) of Income Tax Act, 1961 which has been taken into account for the purpose of provision u/s 29C of the NHB Act, 1987	-	-
Balance at the end of the year		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	10,49,744.00	10,22,593.00
b) Amount of Special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purpose of Statutory Reserve under Section 29C of the NHB Act, 1987	-	-
c) Total	10,49,744.00	10,22,593.00



5 DEFERRED TAX LIABILITIES

As per the requirement of the Accounting Standard 22, the Company has created a deferred tax asset / (liability) provision, which consist of the following:

Particulars	Deferred Tax Asset/(Liability)		
	At the beginning of the Period	Credits/(Charge) during the period	At the close of the period
Deferred Tax Liability:			
Timing Difference on account of :			
Depreciation and Amortization	3,570.00	14,825.00	18,395.00
Net Deferred Tax Liability	3,570.00	14,825.00	18,395.00

6 LONG TERM PROVISIONS

Particulars	As on 31.03.2016	As on 31.03.2015
Provision for Gratuity	74,588.00	-
Total	74,588.00	-

7 TRADE PAYABLES & OTHER CURRENT LIABILITIES

Particulars	As on 31.03.2016	As on 31.03.2015
a) Audit fee payable	57,250.00	28,500.00
b) Expenses Payable	9,32,244.66	9,91,316.69
c) Sundry creditors	2,71,282.07	-
d) TDS Payable	3,66,302.00	2,55,000.00
e) P F Payable	1,21,809.00	-
f) Service Tax Payable	2,55,817.84	-
Total	20,04,705.57	12,74,816.69

8 SHORT TERM PROVISIONS

Particulars	As on 31.03.2016	As on 31.03.2015
Provision for Standard Assets	12,59,513.00	67,536.00
Total	12,59,513.00	67,536.00

8.1 MOVEMENT OF PROVISION FOR STANDARD AND NON-PERFORMING ASSETS

Particulars	As on 31.03.2016	As on 31.03.2015
Provision for Standard Assets		
Standard Assets	31,48,78,305.00	1,68,84,099.91
Provision at the beginning of the year	67,536.00	-
Additional provision made / Reversed during the year	11,91,977.00	67,536.00
Provision at the close of the year	12,59,513.00	67,536.00
Provision for Non-Performing Assets		
Substandard Assets	-	-
Doubtful Assets	-	-
Total Non-Performing Assets	-	-
Provision at the beginning of the year	-	-
Additional provision made during the year	-	-
Provision at the close of the year	-	-

10 LOANS & ADVANCES

Particulars	Non Current		Current	
	As on 31.03.2016	As on 31.03.2015	As on 31.03.2016	As on 31.03.2015
<u>Secured, considered good</u>				
Housing Loans (Refer Note - 20)				
Standard Loans	30,68,15,085.00	1,60,56,917.46	80,63,220.00	8,27,182.45
Sub-standard loans	-	-	-	-
Doubtful loans	-	-	-	-
Loss assets	-	-	-	-
Less: Securitised Housing Loans & Funded by Syndicate	-	-	-	-
Capital Advances				
Advance for Software & website	56,48,700.00	39,66,100.00	-	-
Other Advances	-	-	43,92,784.00	-
Total	31,24,63,785.00	2,00,23,017.46	1,24,56,004.00	8,27,182.45

11 CURRENT INVESTMENTS

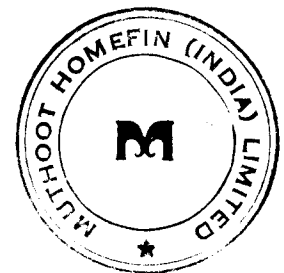
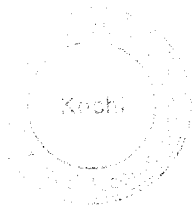
Particulars	As on 31.03.2016	As on 31.03.2015
Investments in UTI	17,52,54,245.18	-
(Quoted mutual fund units of UTI at lower of Cost or Rs. 175,254,245.18/- or market price of Rs. 176,132,385.72/- (Previous year : - Nil))		
Total	17,52,54,245.18	-

12 TRADE RECEIVABLES

Particulars	As on 31.03.2016	As on 31.03.2015
Interest receivable on Housing Loan	-	7,715.43
Total	-	7,715.43

13 CASH AND BANK BALANCES

Particulars	As on 31.03.2016	As on 31.03.2015
<u>I. Cash and Cash Equivalents</u>		
a. Cash on hand	14,08,098.50	65,556.00
b. Balance with banks		
Current Accounts	4,57,34,330.25	2,36,315.00
Fixed Deposits (Maturing within a period of 3 months)	-	8,46,80,840.00
<u>II. Other Bank balances</u>		
Other Fixed Deposits	5,00,000.00	1,19,07,590.00
Total	4,76,42,428.75	9,68,90,301.00
Fixed Deposits having maturity more than 12 months	-	-



14 OTHER CURRENT ASSETS

Particulars	As on 31.03.2016	As on 31.03.2015
Interest Receivable on Bank Deposit	-	17,17,733.00
Advance Tax & TDS (Net of Provision for Income Tax of Rs.2,891,943.00, Previous Year: Rs.2,313,036.00)	25,62,149.00	12,42,356.00
Prepaid Software charges	3,94,315.00	-
Service Income Receivable	25,08,000.00	-
Others	21,596.00	-
Total	54,86,060.00	29,60,089.00

15 REVENUE FROM OPERATIONS

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
Interest on Housing loans	1,09,86,795.66	1,57,754.34
Other Operating income	1,66,971.00	5,600.00
Total	1,11,53,766.66	1,63,354.34

16 OTHER INCOME

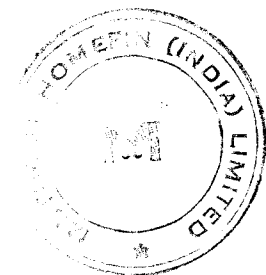
Particulars	Year ended 31.03.2016	Year ended 31.03.2015
Interest on Bank Deposit	31,52,300.00	95,53,919.00
Interest on Income Tax refund	-	1,960.00
Processing Fee	23,43,338.41	-
Profit on sale of Investments	2,54,245.18	-
Service Income	24,00,000.00	-
Other Incomes	25,234.00	-
Total	81,75,117.59	95,55,879.00

17 EMPLOYEE BENEFIT EXPENSES

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
Salaries and Allowances	74,32,393.00	12,34,262.00
Contribution to Provident & Other Funds	63,254.00	-
Staff welfare expenses	1,21,635.40	-
Total	76,17,282.40	12,34,262.00

18 PROVISIONS & WRITE OFFS

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
Provision for Standard Assets	11,91,977.00	67,536.00
Total	11,91,977.00	67,536.00



19 OTHER EXPENSES

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
Audit Fee (Refer Note - 19.1)	57,250.00	28,500.00
Printing & Stationery	89,025.59	25,849.00
Travelling & Conveyance	3,85,746.20	72,993.00
Business Promotion Expenses	4,05,821.00	-
Repairs & Maintenance	10,47,892.00	5,200.00
Bank charges	30,593.24	466.00
Legal & Professional charges	7,22,991.00	53,094.00
Rates & Taxes	29,25,050.00	5,050.00
Rent paid	24,73,200.00	-
Advertisement	10,47,509.00	7,75,883.00
Commission paid	32,000.00	-
Credit Verification Charges	33,043.00	-
Electricity Charges	65,936.00	-
Franking & Stamp Paper Charges	40,500.00	-
Vehicle Maintenance Expenses	1,47,658.00	-
General Office Expenses	71,236.00	-
House Keeping Charges	71,384.60	-
Newspaper & Subscription	1,496.00	-
Postage, Telegram & Telephone	74,954.61	-
Security charges	27,235.00	-
Total	97,50,521.24	9,67,035.00

19.1 AUDITORS REMUNERATION (INCLUDING SERVICE TAX)

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
Audit Fees	28,625.00	28,500.00
Tax Audit	28,625.00	-
Total	57,250.00	28,500.00

20 Advances are classified as performing and non-performing assets in accordance with directions on prudential norms issued by National Housing Bank (NHB). Provisions on standard assets, sub-standard assets, doubtful assets and loss assets have been made as per NHB Directions, 2010 as amended from time to time. Details are given hereunder:

Loans	Standard	Sub-Standard	Doubtful	Loss	Total
Housing Loans	31,48,78,305.00	-	-	-	31,48,78,305.00
(Previous Year)	(1,68,84,099.91)	-	-	-	(1,68,84,099.91)
Provisions made	12,59,513.00	-	-	-	12,59,513.00
(Previous Year)	(67,536.00)	-	-	-	(67,536.00)

21 As required by the revised guidelines dated October 11, 2010 by NHB, read with additional requirement / guidelines with reference to the interpretation of various terms / classifications, the following additional disclosures are given as under:

I Capital to Risk Assets Ratio (CRAR):

Items	As on 31.03.2016	As on 31.03.2015
i CRAR (%)	225.96	773.44
ii CRAR – Tier I Capital (%)	225.96	773.44
iii CRAR – Tier II Capital (%)	-	-



II Exposure to Real Estate Sector

	Category	For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
a)	Direct Exposure		
(i)	Residential Mortgages		
	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented;		
	Individual housing loans upto 15 Lakhs	4,78,48,156.00	71,15,255.38
	Individual housing loans above 15 Lakhs	26,70,30,149.00	97,68,844.53
(ii)	Commercial Real Estate -		
	Lending secured by mortgages on commercial real estates. Exposure would also include non-fund based (NFB) limits	NIL	NIL
(iii)	Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
	A Residential Exposure	NIL	NIL
	B Commercial Real Estate	NIL	NIL
b)	Indirect Exposure		
	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	NIL	NIL

III Asset Liability Management:

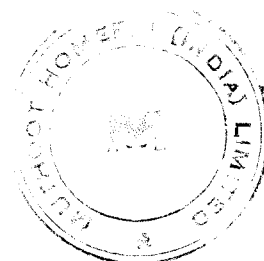
Maturity pattern of certain items assets and liabilities

For the year ended 31st March, 2016 *	Liabilities		Assets	
	Borrowings from Banks	Market Borrowings	Advances	Investments
1 day to 30-31 days (one month)	NIL	NIL	6,52,751.00	NIL
Over one month to 2 months	NIL	NIL	6,58,230.00	NIL
Over 2 months upto 3 months	NIL	NIL	6,63,755.00	NIL
Over 3 months to 6 months	NIL	NIL	20,24,870.00	NIL
Over 6 months to 1 year	NIL	NIL	42,05,309.00	NIL
Over 1 year to 3 years	NIL	NIL	1,89,39,186.00	NIL
Over 3 to 5 years	NIL	NIL	2,24,40,822.00	NIL
Over 5 to 7 years	NIL	NIL	2,54,82,999.00	NIL
Over 7 to 10 years	NIL	NIL	4,57,97,653.00	NIL
Over 10 years	NIL	NIL	14,45,28,554.00	NIL
Total	-	-	26,53,94,129.00	-

Maturity pattern of certain items assets and liabilities

For the year ended 31st March, 2015 *	Liabilities		Assets	
	Borrowings from Banks	Market Borrowings	Advances	Investments
1 day to 30-31 days (one month)	NIL	NIL	28,043.62	NIL
Over one month to 2 months	NIL	NIL	69,613.32	NIL
Over 2 months upto 3 months	NIL	NIL	70,205.09	NIL
Over 3 months to 6 months	NIL	NIL	2,14,216.48	NIL
Over 6 months to 1 year	NIL	NIL	4,45,103.94	NIL
Over 1 year to 3 years	NIL	NIL	20,24,740.82	NIL
Over 3 to 5 years	NIL	NIL	24,80,923.88	NIL
Over 5 to 7 years	NIL	NIL	19,56,172.10	NIL
Over 7 to 10 years	NIL	NIL	30,69,693.59	NIL
Over 10 years	NIL	NIL	52,17,912.07	NIL
Total	-	-	1,55,76,624.91	-

* Details are given only in respect of the loans which are fully disbursed as on the balance sheet date because as per policy of the company, repayment by way of EMI for principal amount is commenced only in case of fully disbursed loan. Partly disbursed loans aggregate to Rs. 49,484,176.00 (Previous Year : -Rs. 1,307,475.00) as on balance sheet date.



Asset Liability Management:

Additional disclosure as per the revised guidelines for Asset Liability Management (ALM) System for HFCs issued by the National Housing Bank dated 11th October 2010

Maturity pattern of certain items assets and liabilities

For the year ended 31st March, 2016 *	Liabilities		Assets	
	Borrowings from Banks	Market Borrowings	Advances	Investments
1 day to 14 days	NIL	NIL	6,52,751.00	NIL
Over 14 days to one month	NIL	NIL	-	NIL
Over one month and upto 2 months	NIL	NIL	6,58,230.00	NIL
Over 2 months and upto 3 months	NIL	NIL	6,63,755.00	NIL
Over 3 months and upto 6 months	NIL	NIL	20,24,870.00	NIL
Over 6 months and upto 1 year	NIL	NIL	42,05,309.00	NIL
Over 1 year and upto 3 years	NIL	NIL	189,39,186.00	NIL
Over 3 years and upto 5 years	NIL	NIL	224,40,822.00	NIL
Over 5 years and upto 7 years	NIL	NIL	254,82,999.00	NIL
Over 7 years and upto 10 years	NIL	NIL	457,97,653.00	NIL
Over 10 years	NIL	NIL	1445,28,554.00	NIL
Total	-	-	2653,94,129.00	-

Maturity pattern of certain items assets and liabilities

For the year ended 31st March, 2015 *	Liabilities		Assets	
	Borrowings from Banks	Market Borrowings	Advances	Investments
1 day to 14 days	NIL	NIL	28,043.62	NIL
Over 14 days to one month	NIL	NIL	-	NIL
Over one month and upto 2 months	NIL	NIL	69,613.32	NIL
Over 2 months and upto 3 months	NIL	NIL	70,205.09	NIL
Over 3 months and upto 6 months	NIL	NIL	2,14,216.48	NIL
Over 6 months and upto 1 year	NIL	NIL	4,45,103.94	NIL
Over 1 year and upto 3 years	NIL	NIL	20,24,740.82	NIL
Over 3 years and upto 5 years	NIL	NIL	24,80,923.88	NIL
Over 5 years and upto 7 years	NIL	NIL	19,56,172.10	NIL
Over 7 years and upto 10 years	NIL	NIL	30,69,693.59	NIL
Over 10 years	NIL	NIL	52,17,912.07	NIL
Total	-	-	155,76,624.91	-

* Details are given only in respect of the loans which are fully disbursed as on the balancesheet date because as per policy of the company, repayment by way of EMI for principal amount is commenced only in case of fully disbursed loan. Partly disbursed loans aggregate to Rs 494,84,176 (Previous Year Rs 1,307,475.00) as on balance sheet date



22 EMPLOYMENT BENEFITS

Gratuity Plan

The following table set out the status of the Gratuity Plan as required under AS 15.

Reconciliation of opening and closing balances of the present value of the defined benefit obligation and plan assets:-

Particulars	As on 31.03.2016
A) Reconciliation of opening and closing balance of defined benefit obligation	
Defined benefit obligation at the beginning of the year	-
Interest Cost	-
Current Service Cost	65,252.00
Benefits paid	-
Past Service Cost	9,336.00
Defined benefit obligation at the end of the year	74,588.00
B) Reconciliation of opening and closing balance of fair value of Plan Assets	
Fair value of plan assets at the beginning of the year	-
Expected rate of return on plan assets	-
Contributions	-
(Benefit paid)	-
Actuarial gains/(losses) on plan assets	-
Fair value of plan assets at the end of the year	-
C) Expense for the year	
Current service cost	65,252.00
Interest Cost	-
Expected Return on Plan Assets	-
Past Service Cost	9,336.00
Employer Expense	74,588.00
D) Investment details	
Insurer managed funds	-
E) Experience adjustment	
Defined Benefit Obligation	74,588.00
Fair Value of Plan Assets	-
Surplus/ (Deficit)	(74,588.00)
On Plan Liability (Gain)/Losses	-
On Plan Assets (Losses)/Gain	-
F) Actuarial assumptions	
Discount rate	7.4% p.a
Salary Escalation	7% p.a
Withdrawal/ Attrition Rate	15% p.a.
Rate of return on plan assets	NA
Mortality Rate	(Ult.)
Expected average remaining working life	4.5 years

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. Discount rate is based on the prevailing market yields of the Government Bond as at Balance Sheet date for the estimated term of obligation.

Particulars	31.03.2016
Defined benefit obligation	74,588.00
Plan Assets	-
Surplus / (Deficit)	(74,588.00)
Experience adjustments on plan Liabilities - (Gains) / Losses	-
Experience adjustments on plan Assets - (Losses) / Gains	-



23 EARNINGS PER SHARE

As per the Accounting Standard 20, Earnings Per Share is calculated by dividing the profit attributable to equity share holders by the weighted average number of equity shares outstanding during the year. The numbers used in calculating the basic and diluted earnings are stated below:-

Particulars	As at 31.03.2016	As at 31.03.2015
Net Profit / (Net Loss) after taxation for the year	1,35,752.61	51,12,964.34
Weighted Average Number of Equity Shares outstanding during the year	1,37,46,575	1,05,00,000
Adjusted Face Value Per Share	Rs.10	Rs.10
Earnings Per Share	0.01	0.49

24 CONTINGENT LIABILITIES AND COMMITMENTS

(a) Contingent Liabilities - NIL (Previous Year - NIL)

(b) Commitments

i. Capital commitments :- Nil (Previous Year: -Nil)

ii. Loan commitments on account of partly disbursed loans :- Rs. 1,59,32,677.00 (Previous Year: - 884,525.00)

25 DISCLOSURE WITH REGARD TO DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES

Based on the information available with the company and has been relied upon by the auditors, none of the suppliers have confirmed to be registered under "The Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006". Accordingly, no disclosures relating to amounts unpaid as at the year ended 31st March, 2016 together with interest paid/payable are required to be furnished.

26 Additional information pursuant to provisions of Paragraph 5 of Schedule III of the Companies Act, 2013.

- a) CIF Value of Imports : Nil
 b) Expenditure in foreign currency : Nil
 c) Amount remitted during the period in foreign currency : Nil
 d) Earnings in foreign currency : Nil

27 Disclosure of related party transaction in accordance with Accounting Standard (AS18) "Related Party Disclosures" issued by The Institute of Chartered Accountants of India.

(a) Names of Related Parties with whom transaction has taken place:-

Category	Name of the Related Party
Key Management Personnel (KMP)	Mr.George Alexander Muthoot
	Mr.George Thomas Muthoot
	Mr.M G George Muthoot
	Mr.Eapen Alexander

(b) Transactions with Related Parties during the period ended 31.03.2016:-

Nature of transaction	Key Management Personnel	
	2015-16	2014-15
Directors Loan accepted	17,00,00,000.00	-
Directors Loan repaid	17,00,00,000.00	6,74,797.69
Remuneration to directors	9,00,000.00	-

(c) Net amount Receivable / (Due) as at the year end :-

Particulars	Key Management Personnel	
	2015-16	2014-15
Directors Loan	-	-

28 Segment Reporting

Company's prime business is to provide loans against/for purchase, construction, repairs & renovation of Houses/ Flats etc. There are no other business operations "outside India". Hence all the activities are considered as a " Single business/ Geographical Segment" for the purpose of Accounting Standard on Segment Reporting (AS-17) issued by The Institute of Chartered Accountants of India.

29 Previous year's figures have been regrouped / rearranged, wherever necessary to conform to current year's classifications / disclosure.



NOTE - 9 - FIXED ASSETS AS ON 31.03.2016

NAME OF ASSET	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 31.03.2015	Additions	Deductions	As at 31.03.2016	upto 31.03.2015	for the year	Deductions during the year	Total upto 31.03.2016	As at 31.03.2016	As at 31.03.2015
Furniture & Fixtures	15,252.00	-	-	15,252.00	649.00	2,994.00	-	3,643.00	11,609.00	14,603.00
Computer	70,700.00	2,40,650.00	-	3,11,350.00	20,181.00	36,625.00	-	56,806.00	2,54,544.00	50,519.00
Total	85,952.00	2,40,650.00	-	3,26,602.00	20,830.00	39,619.00	-	60,449.00	2,66,153.00	65,122.00
Previous Year	-	85,952.00	-	85,952.00	-	20,830.00	-	20,830.00	65,122.00	-

