Muthoot Homefin

Transforming
Your Dreams to Reality

ANNUAL REPORT 2016-17

MUTHOOT HOMEFIN (INDIA) LIMITED

Forward-looking Statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements – written or oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realized although we believe we have been prudent in our assumptions. The achievements of the results are subject to risk, uncertainties, and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind we undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise.

Our Promoters – The Muthoot Group*

The **Muthoot Group** was founded in 1887 by **Late Shri Ninan Mathai Muthoot** in the remote village of Kozhencherry in Kerala. Today, The Muthoot Group has established for itself a formidable reputation and has garnered the trust of millions of customers. The success of the Group has its roots in its concern for the society and unceasing acts of altruism, the commitment and hard-work put in by its 30,000 strong workforce and the trust of its millions of loyal customers.

Each day, we strive to keep our values and ethics intact to serve our customers with services of utmost quality, ensure a sustainable existence and rise up to contribute to the building of our nation.

The Muthoot Group has 18 diversified divisions and over 4500 branches with a global presence. Over 2,53,000 customers visit The Muthoot Group branches every day.

The Group recently celebrated 130 years of unblemished business excellence lending services to millions of underserved Indians leading to Financial Inclusion even in the most remote and rural areas of the country. Over the years, the Group has become a diversified business house with presence in financial services, plantations and estates, education, leisure and hospitality, healthcare, housing and infrastructure, information technology, wealth management, money remittance, forex, media, power generation, precious metal, securities, vehicle and asset finance and travel services among others. The Muthoot Group has not only grown exponentially but has also facilitated growth for a sizeable population of the country that falls in the underprivileged category.

*(refers to entities promoted by Mr. M. G. George Muthoot, Mr. George Thomas Muthoot, Mr. George Jacob Muthoot and Mr. George Alexander Muthoot, operating under the brand name "The Muthoot Group").

Contents

Tribute to the Visionary

Our founder, **Shri M George Muthoot**, envisioned the prospects of affordable financial services in India long back in 1939. His deep business insight and strong vision helped transform India's gold loan business. Guided by his values, we have strengthened our reputation over the years and established ourselves as a trusted pan-India brand.

Unchanging values…
…..in changing times

"Let us not judge ourselves by the profit we make but by the trust and the confidence that people have in us. Let us cherish and nurture that trust and ensure that every person who deals with us, deals with the confidence that he will not be misguided but his interests will be carefully protected."

- Late Shri M. George Muthoot

Aspirations of our customers drive us......

Mr. Pawan Singh owns a small automobile spare part shop in Ambivili, Thane Dist.

I am running my shop for the last 10 years. I was referred by a builder to Muthoot Homefin. The executive of Muthoot Homefin contacted me and explained to me the document that was required. He also explained the process of loan sanction and disbursement. My experience with Muthoot Homefin was hassle free and I quickly got the sanction and disbursement. I am highly satisfied by the services provided by Muthoot Homefin in helping me with buy my dream home.

Mrs. Suvarna Vijay Patil is working as a Primary School Teacher in Boisar

I was referred to Muthoot Homefin by my friend who had taken a loan from them. I am very happy for Muthoot Homefin fulfilling my dream of owning my own home. Their process was fast and are were very transparent in their dealings.Their executive also educated me about the benefits of the Pradhan Mantri Awaas Yojana Scheme which would be applicable on my Home loan. I appreciate their services and dedication towards fulfilling the dreams of customers like me.

Mr. Ramesh Gavid working as a Police Constable in Kalyan Police Station

I, Ramesh Gavid, am a Police Constable working in Kalyan. I got reference of Muthoot Homefin from the builder with whom I had booked my flat. I approached Muthoot Homefin for the home loan, the executive who came to meet me was knowledgeable and courteous. He collected my documentation and got my loan sanctioned quickly which helped me to buy the dream home for me and my family. I am very happy with the service provided by Muthoot Homefin.

... And help us deliver on our stakeholder commitments

A growing economy with a huge aspirational population is creating more and more opportunities for us. At the same time, Government push for the affordable housing is quietly changing the rules of the game, widening the canvas for home buyers.

At Muthoot Homefin, we are expanding the scale and scope of the business at a time of interesting change. And the year gone by, saw us continue our rich tradition of value creation by implementing multiple initiatives.

During the year, we strengthened our position as one of the most preferred and trusted home loan players in the markets we serve.

Our role is to connect the dreams of New India with emerging opportunities, which will take the country to a new trajectory of growth.

Delivering on evolving aspirations

Our story dates back to over seven decades. It began when M George Muthoot founded a gold loan business in 1939 under the heritage of a trading business established by his father, Ninan Mathai Muthoot, in 1887.

Today, we are fast growing affordable housing finance company in terms of loan portfolio. As part of our core business, we provide home loans to Lower Middle Income (LMI) and Economically Weaker section (EWS).

We primarily cater to home buyers who cannot access formal credit within a reasonable time, or for whom credit may not be available at all. We help our customers to meet their dream of owning their own home.

CORE VALUES OF THE MUTHOOT GROUP

We take pride in our strong foundation, which is deeply rooted in the following pillars

Ethics
Our main aim is to put the needs of the customer first before anything else. We strive to provide the customers with the best quality of service under the Muthoot Brand Umbrella and we do the same with a smile.

Values
Accountability for all our operations, services and towards the society makes us a socially responsible and intelligent citizen. Our empire has grown leaps and bounds on the basis of these values. The times may change, but our values will remain unchanged.

Reliability
With an unblemished track record throughout the markets we serve; and across national as well as global boundaries, Muthoot Homefin values its commitment to customer-service.

Dependability
We do not judge ourselves by the profit we make but by the trust and confidence that people have shown in us for the past 130 years. Over 7 million people have turned to us for help in their hour of need just because of this guiding principal of ours.

Trustworthiness
We pledge loyalty in our operations, fairness in our dealings and openness in our practices. At Muthoot Homefin, we embrace policies and practices that fortify trust.

Integrity
The value is innate to a corruption-free atmosphere and an open work culture. We at Muthoot Homefin therefore cultivate transparency as a work ethic.

Goodwill
Muthoot Finance serves more than 7 million customers across the country. We serve over 1,30,000 customers each day to our customer base. With an unmatched goodwill, the Company shoulders the responsibility of providing its customers services of the highest quality.

Key Highlights

Loan Assets under Management
₹ 441 Crs

Loan Account
4024

Team Members
300+

Branches
9

Sales Offices
110

Capital Adequacy Ratio
36.60%

Yield
12.74%

Borrowing Cost
9.43%

NIM
2.71%

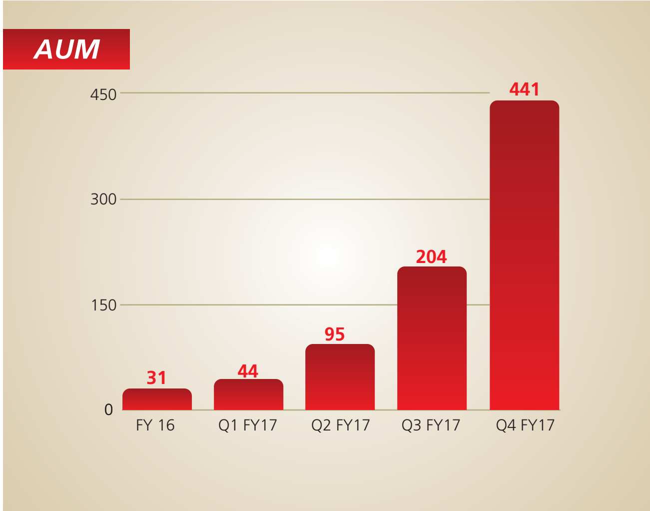
PAT
₹ 2.87 Crs

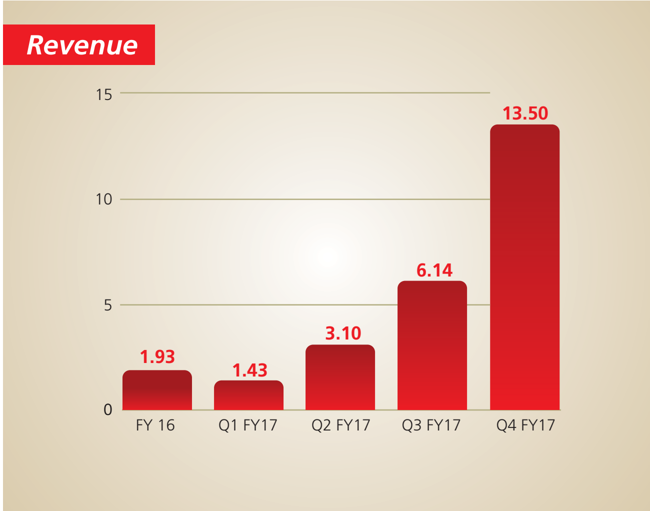
Return on Assets (ROA)
12.74%

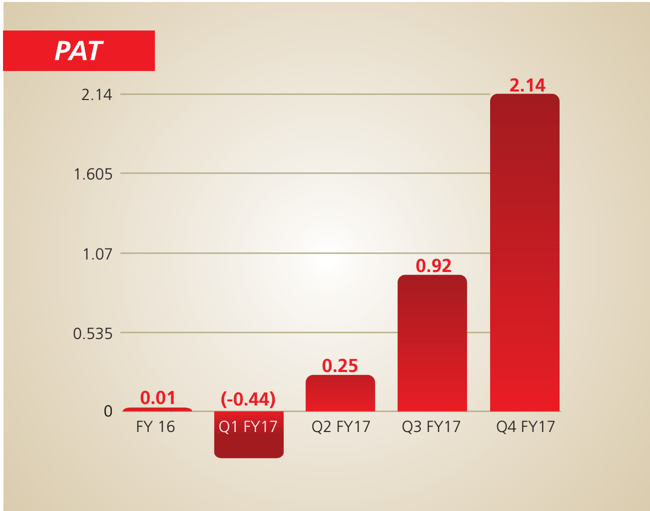
Return on Equity (ROE)
3.64%

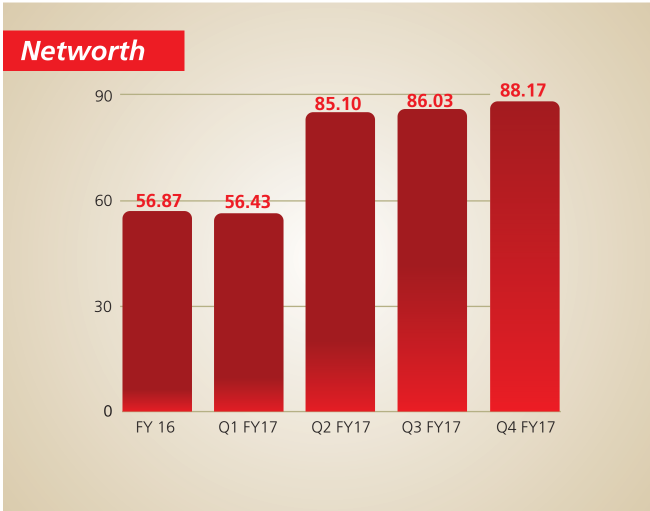
Key Performance Indicators

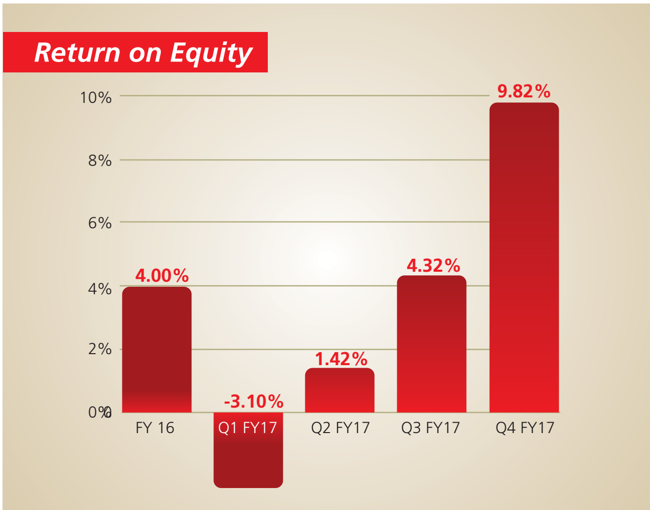
₹ in crores

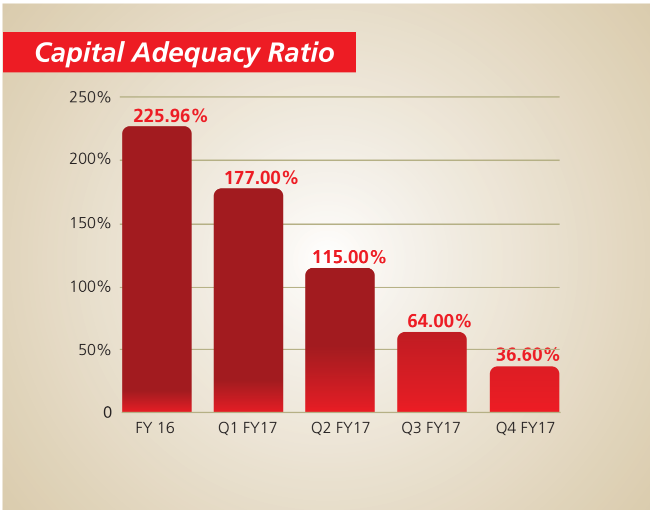












Figures for Q1, Q2 and Q3 of FY 17 are unaudited

Presence of Muthoot Homefin

Maharashtra

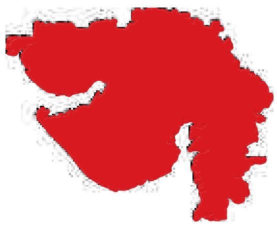
Outstanding - ₹ 216 crs.
% Share - 48.90%

Madhya Pradesh

Outstanding - ₹ 13 crs.
Share - 2.96%

Total Outstanding
₹ 441 crs

Total % Share
100%



Gujarat

Outstanding - ₹ 104 crs.
% Share - 23.84%

Kerala

Outstanding - ₹ 38
Share - 8.52%

Rajasthan

Outstanding - ₹ 70 crs.
% Share - 15.78%

Message from The Muthoot Group Chairman

The macroeconomic trends are further supported by demand and supply-side enablers such as PMAY (Pradhan Mantri Awas Yojana – Government of India's mission of "Housing for All by 2022"). PMAY so far has received over 9 lakh applications and I am happy to share with you that a majority of the customers we serve qualify for the government's interest subsidy for affordable home loans. Indeed, Muthoot Homefin is proud to contribute to nation building in a purposeful and profitable way.

Dear Members,

Financial Year 2017 witnessed several interesting developments across the Indian economy. Demographic drivers such as urbanization, resulting in nuclearization of families, rising working population and increase in disposable incomes continue to aid the growth of the Indian mortgage market in FY2017. The macroeconomic trends are further supported by demand and supply-side enablers such as PMAY (Pradhan Mantri Awas Yojana – Government of India's mission of "Housing for All by 2022"). PMAY so far has received over 9 lakh applications and I am happy to share with you that a majority of the customers we serve qualify for the government's interest subsidy for affordable home loans. Indeed, Muthoot Homefin is proud to contribute to nation building in a purposeful and profitable way. Last year, the Government also granted infrastructure status to companies providing affordable housing, thereby becoming an attractive investment opportunity for institutional investors.

The policy prescriptions of the Government validate and align with The Muthoot Group's belief of building its business on the foundations of social empowerment and financial inclusion. This has been the major driver for Muthoot Group entering the Housing Finance industry, through its subsidiary, Muthoot Homefin (India) Ltd. The Muthoot Group, serving over 1,50,000 customers everyday is a pioneer in financing the needs of these valuable customers, and I am confident that our foray into the affordable Housing Finance segment will enable us to play a greater role in improving the lives of millions of Indians. I am most delighted to inform you that the brand value, trust and goodwill enjoyed by The Muthoot Group have manifested in the growth of Muthoot Homefin also. The huge customer base of the Group also helps Muthoot Homefin to cross-sell home loans to all Muthoot Group customers who avail 9 different financial services offerings from a network of 4500+ branches.

As we grow – in size, business lines and across geographies – we want to build a unified culture that is customer-centric and conducts itself with humility and simplicity, entrepreneurial zeal and serve the larger cause of the Nation. The aforementioned values imbibed by each and every member of our company have allowed Muthoot Homefin to emerge as a formidable player within the affordable Housing Finance industry from the very first year of its existence.

The growth witnessed by your company in its first full-year of business without any NPAs, signifies the quality of our loan book built on the foundation of strong risk management and prudent lending practices. During the year, ICRA had assigned the long term rating of AA- (stable), signifying high degree of safety and very low credit risk. The strong credit rating has helped your company keep the cost of funds lower and be competitive in the market. Your company delivered a robust performance with revenue of ₹ 24.17 Crore and Profit Before Tax stood at ₹ 2.87 Crore for the year ending March 31, 2017. Our total loan portfolio stands at ₹ 441 Crore as on March 31, 2017.

With access to more efficient source of funds, invaluable customer trust, better financial performances and best-in-class management standards, I see the company becoming better, emerging stronger and well positioned to serve the clients in the Housing Industry of the country.

Regards,

M. G. George Muthoot
Chairman - The Muthoot Group

Message from CEO

We started our business operations in Maharashtra, Gujarat, Rajasthan and Madhya Pradesh. This expansion has formed a strong base for the growth of the company reaching out to 110 locations with a workforce of over 300. On one hand, the Union Budget bestowed affordable housing with the infrastructure status and on the other hand, the Finance Ministry increased allocation for the Pradhan Mantri Awas Yojana (PMAY) to ₹ 23,000 Crores in the Union Budget 2017.

Dear Members,

Financial Year 2017 was the first full year of business operations of Muthoot Homefin. We have performed well and have leveraged market opportunities and insights in our core segment to deliver a robust growth trajectory. We have disbursed ₹ 416 Crores in FY-2017 to more than 4000 EWS (Economically Weaker Section) and LMI (Lower & Middle Income) families.

As on March 31, 2017, our loan book stands at INR 441 Crores with 4024 live accounts. The average ticket size of the portfolio is INR 12 lakh, which signifies the focus on affordable housing. Average LTV (Loan to Value ratio) on portfolio is 64%. Net profit for the year stood at ₹ 2.87 Crores with NIL NPA. We owe our ability to uphold high asset quality and lower-than-benchmark NPAs to our strong credit assessment methodology and procedures. The Net Worth as on March 31, 2017 stood at ₹ 88 Crores while the outstanding borrowings are ₹ 218 Crores. During the year, ICRA had assigned the long term rating of AA- (stable), signifying high degree of safety and very low credit risk. The strong credit rating has helped our company keep the cost of funds lower and be competitive in the market. Net Interest Margin (NIM) is 2.71%, Return on Assets (ROA) is 2.42% and Return on Equity (ROE) is 3.64%.

In FY 2017, we started our business operations in Maharashtra, Gujarat, Rajasthan and Madhya Pradesh. This expansion has formed a strong base for the growth of the company reaching out to 110 locations with a workforce of over 300. On one hand, the Union Budget bestowed affordable housing with the infrastructure status and on the other hand, the Finance Ministry increased allocation for the Pradhan Mantri Awas Yojana (PMAY) to ₹ 23,000 Crores in the Union Budget 2017. This will increase the ambit of affordable housing properties, thereby widening our markets. Other policy and structural reforms, such as Real Estate Regulatory Act (RERA) are also slated to positively influence the housing finance segment. Moreover, the Government is moving India's economy towards greater transparency and digitization. This is helping create a better credit ecosystem for customers, with attractive interest policies.

These changes are set to make major contribution to the lives of our core customer segment – the lower and middle income (LMI) groups.

We believe we are moving towards an era of better performance with more speed, efficiency and superior analytical insights. And these will enable better underwriting of loans ensure shorter turn-around times (TAT) along with enhanced customer satisfaction and more profitability.

I am delighted to be associated with the enthusiastic and passionate team to fulfil the long cherished dreams of EWS/LMI families to "own a home". I thank all the employees for their utmost commitment, Board of Directors for their insights and guidance, National Housing Bank (NHB), our Bankers, Rating Agency, Auditors, Business Partners, Muthoot family and our customers who have shown the trust and faith in Muthoot Homefin for helping them own their dream home.

Regards,

Ramratthinam S
Chief Executive Officer
Muthoot Homefin (India) Limited

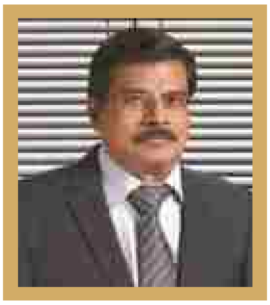
Board of Directors

Mr. M.G. George Muthoot (Director)

- Graduate in engineering from Manipal University and businessman by profession.
- National Executive Committee Member of FICCI and current chairman of FICCI-Kerala State Council.
- Conferred the Mahatma Gandhi National Award for social service for year 2001 by the Mahatma Gandhi National Foundation.
- Presently he is the lay trustee of the Malankara Orthodox Syrian Church and has been member of the Managing Committee of Malankara Orthodox Syrian Church for over 32 years which has more than 2.5 million members.
- He was conferred with 'Asian Business Man of the year 2011' from UK-Kerala Business Forum and also with Business Leadership Award for the year 2012 at Golden Peacock Awards, Bengaluru
- Active member of various social organizations including the Delhi Malayalee Association, Kerala Club, Rotary Club, National Sports Club and has been chosen for several awards by the Rotary International and the Y's Mens International for community development and social service.

Mr. George Alexander Muthoot (Director)

- Chartered Accountant who qualified with first rank in Kerala and ranked 20th overall in India in 1978.
- Has a bachelor degree in Commerce from Kerala University where he was a rank holder and gold medalist.
- Served as Chairman of Kerala Non Banking Finance Companies Welfare Association from 2004 – 2007 and is currently its Vice Chairman.
- Member Secretary of Finance Companies Association, Chennai.
- Founder member of the Indus Entrepreneurs International, Kochi Chapter and is now a member of the Core Committee of the Indus Entrepreneurs International, Kochi Chapter.
- He was conferred with the 'CA Business Leader Award 2013' under financial services sector from Institute of Chartered Accountants of India.



Mr. George Thomas Muthoot (Director)

- Businessman by profession
- Over 32 years of experience in managing businesses operating in financial services.

Mr. Eapen Alexander Muthoot (Whole-time Director)

- Currently heading the Western India region of The Muthoot Group, Eapen Alexander Muthoot plans to expand and leverage the company's presence in the Western Regions of India through his strong acumen in the field of financial services.
- Prior to joining Muthoot, Eapen worked at ICRA Ltd, a leading credit rating agency in India.
- Eapen holds an MBA from the Fuqua School of Business at Duke University, USA., an MSc. in International Political Economy from the London School of Economics, UK and a B.A Economics (Honours) degree from St. Xavier's College, Mumbai University.

Board of Directors

Mr. K R Bijimon (Director)

- He has started his career as a Senior Manager (Finance) with Muthoot Bankers in the year 1996. During 19 years of his service he led the transformation of Muthoot Bankers to the present day Muthoot Finance Ltd and over the years he rose to the position of Chief General Manager in the company.
- Under his leadership, the company grew manifold and today has become the largest lender of Gold Loans in the country and perhaps the largest in the world too. As a Chief General Manager, he is also responsible for driving growth across the diversified business portfolios of the Group such as International Remittance & Foreign Exchange and is also responsible for expansion of business globally. Muthoot Group today has a global presence with successful businesses in countries like USA, UK, UAE, Malaysia, Hong Kong and Sri Lanka.
- He also assumes the role of Chief Operating Officer and manages the Global Operations Division of the Muthoot Group. Presently, he also holds Directorship in companies like Muthoot Forex Ltd, Muthoot Securities Ltd, Muthoot Commodities Ltd, Muthoot Homefin (India) Ltd and Asia Asset Finance PLC (Sri Lanka).
- Bijimon holds a Bachelor's Degree in Law (LLB), a Bachelor's Degree in Science (BSc) and a Master's Degree in Business Administration (MBA). He is also a Fellow Member of the Institute of Chartered Accountants of India, a Certified Associate of the Indian Institute of Bankers (CAIIB) and a Fellow Member of Certified Management Accountants (FCMA), Institute of Sri Lanka.

Mr. K. George John (Independent Director)

- Mr. K.George John is a post graduate in Mathematical Statistics.
- He joined Lintas India as a Media Planner in 1969. He handled some of Hindustan Lever's most important and successful brand launches including Liril, Close-Up and Fair & Lovely.
- After 10 years at Lintas, he took over the management of Ulka Advertising (now FCB-Ulka). He turned the company around in less than a year and Ulka went on to become the 4th Honda Motorcycles "FILL IT". SHUT IT", FORGET IT" made it is the world's largest selling motorcycle.
- In 1988, Mr George founded Anthem Communications Pvt Ltd in Delhi which was rated India's fastest growing agency thrice by A&M Magazine In 1997, Anthem became the youngest Agency among the top ten in India with 8 offices and 350 employees spread across the country.
- In 1998, Anthem was invited to join TBWA/WORLDWIDE, part of Omnicom Group, the world's No 1 Communication company as 50:50 JV partner. TBWA is a Global Agency with 228 offices in 98 countries. In an Imnicom Global communication in 2007, TBWA/Anthem was rated one of Omnicom's best partners worldwide, a unique distinction for an india- born agency. At TBWA, Mr George helped launch the entire range of Sony Products in India as well as key launches and Brand Campaigns for Yamaha Motorcycles. , Adidas, Samsonite, Pedigree, Bajaj Allianz, Standard Chartered Bank, Geojit BP Paribas, MalayalaManorama, Michelin Tyres, Henkel, Nivea, Apple and Electrolux.
- In addition to the position of Chairman & Managing Director of TBWA India, Mr George also helped set up TBWA/offices in Sri Lanka and Bangladesh.
- After 40 years in Advertising, during which time he created two successful national advertising agencies and rebuilt Ulka, Mr George retired in September 2008 when he sold his entire stake in TBWA Anthem to the parent company, Omnicom.
- George lives in scenic Edakochi now with his wife for 40 years, Minu and youngest son, Kithu. Their daughter, Susan, lives with her husband and two sons in Delhi, while their elder son, John lives in New York with his wife and daughter.

Board of Directors

Mr. Jose Kurian (Independent Director)

- Mr. Jose Kurian has 47 years of rich experience in Construction Project Management and Administration.
- He completed his M.Tech in Structural Engineering from Indian Institute of Technology, Delhi.
- He has been awarded Best paper awards from Indian Building Congress, Indian Roads Congress, Indian Concrete
- Institute along with The CIDC Viswakarma Award 2011 for Public Officer.
- Mr. Jose Kurian is the Immediate Past President of Indian Concrete Institute and currently a Member of Indian Roads Congress, Indian Building Congress and the Governing Council of Indian Association of Structural Engineers
- Senior Management Team

Senior Management Team

The strength of the team is each individual.
The strength of each individual is the team.

Left to Right

Ashish Ranka Chief Financial Officer	**Anil Jain** Head - Credit & Risk Management	**Prasad Bendre** Head - Operations & Collections	**Mangesh Amdekar** Head - Technical
Mehjabeen Taj Aalam Head - Information Technology	**Eapen Alexander Muthoot** Whole-time Director	**Ramratthinam S.** Chief Executive Officer	**Anna P. Sale Patil** Head - Business Legal
Rahul Jagtap Head - Legal	**Hrishikesh Gandhi** Head - Human Resources	**Deepu Thankachan** Head - Internal Audit	

Senior Management Team

Mr. Ramratthinam S – Chief Executive Officer
Ramratthinam has over 25 + years of experience in the retail lending industry and has exposure to all secured and unsecured lending. He has handled the functions of Sales, Credit, Operations, Risk and Treasury in his earlier work assignments. He has worked with Companies like Sundaram Finance, Citicorp Finance (Subsidiary NBFC of Citibank N.A), Centurion Bank of Punjab and Indiabulls. Prior to joining Muthoot Homefin, he was the Chief Risk Officer at Dewan Housing Finance Corporation Limited. He has done the "Change Management and Leadership Programme from IIM (A). He has participated in various forums, panel discussions conducted by NAREDCO, CREDAI, NHB, World Bank, IFC, etc. both locally and internationally in pushing the agenda of affordable housing reforms, particularly in India.

Mr. Ashish Ranka - Chief Financial Officer
Ashish Ranka is a Chartered Accountant by qualification. He brings with him an expertise of Finance & Accounts, Taxation, Compliance, Treasury Management, Fund Raising and Business Strategy. Before joining Muthoot Homefin (I) Ltd, he was with L&T Finance Holdings ltd and India Infoline Ltd. He is working as CFO and looks after Finance, Accounts and Fund Raising.

Mr. Anil Jain – Head – Credit& Risk Management
Anil Jain, a Chartered Accountant by qualification, brings in 16 years of work experience in diversified fields of Credit, Operations, Risk Management, Accounts & Finance and Real Estate Advisory in the mortgage industry. He joined the company in September 2015. Before joining the company, he worked with ICICI HFC, Deutsche Postbank HFC, Real Estate advisory and portal company Indiahomes.com.

Mr. Rahul Jagtap – Head – Legal
Rahul Jagtap is an LLB by qualification. He has completed his Law in the year 1999 from Sir L A Shah Law College of Ahmedabad. He has a Bachelor's Degree in Commerce from Gujarat University and completed PGDM programme from The Indian Management Academy. He has a rich experience of 16 years in Legal field both in the business as well as the litigation side.He joined the company in March 2016. He started his career with Tata Finance Ltd and worked with HDFC Bank ltd for almost 10 years before joining MHIL. In his previous assignment, He was handling West Zone in HDFC Bank Ltd for Retail Assets Legal & Collection portfolio.

Senior Management Team

Mr. Anna P. Sale Patil – Head – Business Legal
Anna P. Sale Patil is Law graduate and has over 15 years of experience in Legal field. He has exposure in Litigation, Non – Litigation and compliances. He has worked with Maharashtra Police, Government Department and companies like ARCIL, DHFL and Capri Global Capital Ltd. Before joining Muthoot Homefin (India) Ltd., he was worked with Capri Global Capital Ltd. as Head Legal – Retail Assets.

Mr. Prasad Bendre – Head – Operations & Collections
Prasad Bendre is B.Com graduate and has done Diploma in Financial Management and Business Administration. He has done Management Development Programme from IIM (A). He possesses over 22 years of experience in Operations, Credit and Collections. Before joining Muthoot Homefin (I) Ltd, he was with Manappurram Home Finance, DHFL and IDBI Home Finance.

Mr. Mangesh Amdekar – Head – Technical
Mangesh Amdekar joined the company in November 2015. He is a Civil Engineering Professional from Pune University and Diploma Holder in Human Resource & Finance Management from L. N. Welingkar Institute, Mumbai. He is also a Member of Indian Institution of Valuers. He was Head of Technical at Aadhar Housing Finance Limited before taking up the MHIL responsibility. Mangesh brings in over 12 years of Real Estate Appraisal & Valuation experience. He has worked in the similar profiles earlier into ICICI HFC, Kotak Mahindra Bank Ltd., DHFL & Aadhar Housing Finance ltd.

Mrs. Jinu Mathen – Company Secretary
CS Jinu Mathen, an Associate Member of the Institute of Company Secretaries of India (ICSI), is a Commerce Graduate, and holds a Master's Degree in Business Administration from Sikkim Manipal University. Prior to joining Muthoot Homefin in December 2014, she started her secretarial profession at M/s. SVJS & Associates, a top-notch practising firm of Company Secretaries, having its headquarters in Kochi and operating across the country. She was part of the core team of proficient corporate professionals, handling compliances and audits at various levels including Corporate laws, Finance laws, Regulatory compliances etc.

Senior Management Team

Mr. Hrishikesh Gandhi – Head – Human Resources
Hrishikesh is associated as HR Partner, he manages the HR & Admin function. He brings along with him a rich experience of 12 years in HR. His last association was with DHFL for over 5 years, he has also worked for companies like HDFC Bank, Centurion Bank of Punjab and Emkay.

Ms. Mehjabeen Taj Aalam– Head – Information Technology
Mehjabeen Taj Aalam, a MBA in Systems from Narsee Monjee Institute of Management Studies, Mumbai, and a Gold medalist and University topper in M.A. – Economics, brings in over 10 years of valuable experience in managing Information Technology in complex IT landscapes. She has been involved in a wide variety of system implementations and large scale projects across verticals, scale and technology platforms, IT infrastructure development and digital initiatives in the financial services and manufacturing sector. Mehjabeen in her current role is responsible for the overall IT strategy of the company and its execution. Prior to joining Muthoot Homefin (I) Ltd, she worked with Fullerton India Credit Co. and Mahindra & Mahindra.

Mr. Deepu Thankachan– Head – Internal Audit
Deepu Thankachan joined Muthoot Homefin in July 2017 as Head – Internal Audit. He was associated with Muthoot Finance since February 2010 with an experience of more than 7 years. He holds Master degree in Commerce and a full time MBA in Finance & Marketing.

Report Of The Board Of Directors

Dear Members,

Your Directors are pleased to present the SixthAnnual Report and the Company's audited financial statement for the financial year ended 31st March 2017

Financial Summary
The financial results of your Company for the year ended 31st March, 2017 are summarized below:

(₹ in lakhs)

Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
Revenue from Operations	2349.17	134.97
Other income	67.37	58.32
Total Revenue	**2416.54**	**193.29**
Employee benefits expense	710.87	76.17
Finance Cost	403.93	--
Other expenses	488.89	97.51
Depreciation and amortization expense	120.42	0.40
Provisions and Write Offs	163.74	11.92
Total Expenses	**1887.85**	**186.00**
Profit Before Tax	**528.69**	**7.29**
Current tax	207.20	5.79
Deferred tax	34.12	0.15
Profit for the year	**287.37**	**1.35**
Basic earnings per share	**0.45**	**0.01**
Diluted earnings per share	**0.45**	**0.01**

Dividend

With a view to conserving the resources of the Company and for building up its reserves and after considering the business plans of the Company for FY 2017-18, the Board of Directors do not recommend payment of dividend on Equity Shares for the year ended 31st March 2017.

Transfer to Reserves

An amount of ₹ 142.44 lakhs is transferred to the Special Reserve Fund for FY 2016-17, pursuant to Section 29C of the National Housing Bank Act, 1987 and the balance of ₹ 144.93 lakhs is carried to the Balance Sheet.

State of affairs of the Company

Your Company is a housing finance company registered with the National Housing Bank (NHB) with a registration number 05.0112.14 dated 19th May 2014. The Company commenced its operations during December 2014. As a step towards making a mark in the housing finance industry on a PAN India basis, the Company opened its Corporate Office in Mumbai during the year 2016 and commenced its operations in Mumbai during January 2016. During the financial year 2017, the Company carried out its operations in the States of Kerala, Maharashtra, Gujarat, Rajasthan and Madhya Pradesh.

Your Company sanctioned and disbursed home loans amounting to ₹ 57,079 and ₹ 41,580 lakhs respectively with an outstanding loan balance of ₹ 44,083.61 lakhs as on 31st March 2017. The Company has no non-performing assets (NPA) as on 31st March 2017.

Total borrowings as on 31st March 2017 stood at ₹ 217.76 crore through Term loans from Banks as against NIL a year earlier. The Company duly repaid its term borrowings including debentures as and when they became due for payment and no debentures remained unclaimed by the investors at the year end.

Your company earned revenue of ₹ 2349.17 lakhs from its operations during the year. Total expenses increased from ₹ 186 lakhs in FY 2016 to ₹ 1,888 lakhs in FY 2017. Your Company earned a net profit of ₹ 287.37 lakhs, which was a significant increase from the previous year's net profit of ₹ 1.36 lakhs. Your Directors are hopeful for better results as regards to future prospects and profitability of the Company.

Management Discussion and Analysis Report

The Management Discussion and Analysis Report as mandated by the National Housing Bank, vide Notification No. NHB.HFC.CGDIR.1/MD&CEO/2016 dated 9th February 2017, is annexed hereto (Annexure 1) and forms part of this Annual Report

Share Capital

During the year, your Company allotted 2,50,00,000 equity shares having a face value of ₹ 10 each to Muthoot Finance Limited on rights basis, thereby increasing the paid up share capital to ₹ 7500 Lakhs as on 31st March 2017.

Annual return

The extract of Annual Return in Form No MGT-9 as required under Section 134 (3) (a) of the Companies Act, 2013 read with Rule 12 of Companies (Management & Administration) Rules, is annexed hereto (Annexure 2) and forms part of this report.

Particulars of loans, guarantees or investments under section 186 of the companies act, 2013

Pursuant to section 186(11) of the Companies Act, 2013, loans made, guarantee given or security provided in the ordinary course of business by a housing finance company are exempt from the applicability of the provisions of section 186 of the Act. The Company had no investments as on 31st March 2017

Particulars of contracts or arrangements with related parties

All transactions or arrangements with related parties referred to in Section 188 (1) of the Act, entered into during the year were on arm's length basis or were in ordinary course of business or with the approval of the Audit Committee. A yearly update is also given to the Audit Committee and the Board of Directors on the related party transactions undertaken by the Company for their review and consideration. During the year, your Company has not entered into any material transactions exceeding the threshold limits as prescribed under Rule 15 sub rule(3) of Companies (Meetings of Board and its Powers) Second Amendment Rules, 2014.Form AOC-2, as required under Section 134(3)(h) of the Act, read with Rule 8(2) of the Companies (Accounts) Rules 2014, is annexed as part of this Board's Report (Annexure 3). As mandated under the Directions issued by the National Housing Bank vide Notification No. NHB.HFC.CG-DIR.1/MD & CEO/2016 dated 9th February 2017, the Company has formulated a Policy on Related Party Transactions and the Policy forms part of the Annual Report (Annexure 3A)

Subsidiaries, Joint ventures and Associate companies

No company has become or ceased to be your Company's subsidiary / joint venture / associate company during the year.

Corporate Governance

The National Housing Bank, vide Notification No. NHB.HFC.CGDIR.1/MD&CEO/2016 dated 9th February 2017, has mandated all the Housing Finance Companies to follow the guidelines on Corporate Governance as per the Housing Finance Companies-Corporate Governance (NHB) Directions, 2016. The Company has accordingly framed the internal guidelines on Corporate Governance which have been hosted on Company's website www.muthoothomefin.com. The Company is committed to achieving the highest standards of Corporate Governance and it aspires to benchmark itself with the best practices in this regard. The Board regularly reviews the Management's reports on statutory and regulatory compliances.

Directors / Key Managerial Personnel appointed during the year

During the financial year, Mr. Ashish Ranka was appointed as the Chief Financial Officer of the Company with effect from 25th January 2017. No other Director or Key Managerial Personnel was appointed during the financial year

Declaration of independence from Independent Directors

The Company has received from its independent directors, namely Mr. K. George John and Mr. Jose Kurian, a certificate stating their independence as prescribed under section 149(6) of the Companies Act, 2013.

Meetings of the board

During the financial year, the Board of Directors met four times on 25.05.2016, 27.07.2016, 08.10.2016 and 25.01.2017

Directors' Responsibility Statement

Your Directors state that:

1. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. 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;
3. 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;
4. The directors had prepared the annual accounts on a going concern basis;
5. 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

Significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future

No significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future

Conservation of energy, Technology absorption and Foreign exchange earnings and outgo

Considering its nature of activities, the following disclosures are made as per the provisions of section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014:

a) Your Company has no activities relating to conservation of energy and technical absorption
b) There are no foreign exchange earnings or outgo during the period under review.

Capital Adequacy Ratio

Your Company's Capital Adequacy Ratio as on 31st March 2017 stood at 36.60% of the aggregate risk weighted assets on balance sheet and risk adjusted value of the off-balance sheet items, which is well above the regulatory minimum of 12%. Out of the above, Tier I capital was 36.60% and Tier II capital was 0%

Regulatory Guidelines

Your Company has complied with the Housing Finance Companies (NHB) Directions, 2010 and other directions prescribed by NHB regarding accounting standards, prudential norms for asset classification, income recognition, provisioning, capital adequacy, credit rating and corporate governance

Credit rating

The credit rating agency ICRA assigned your Company a rating [ICRA] AA - (pronounced ICRA double A minus) with a stable outlook to the Rs. 600 crore long term fund based bank lines of the Company

Material changes and commitments affecting the financial position of the company which have occurred between the end of the financial year to which the financial statements relate and the date of the report

No material changes or commitments affecting the financial position of the Company have occurred between the end of the financial year to which the financial statements relate and the date of this report.

Public deposits

Your Company has not accepted any deposits from the public as provided under Chapter V of the Act

Audit committee

The Audit Committee was reconstituted vide board resolution dated 08th September 2015 pursuant to Section 177 of the Companies Act 2013 and the Companies (Meetings of Board and its Powers) Rules, 2014. The Audit Committee comprises of Mr. Eapen Alexander (Executive Director), Mr. K. George John (Independent Director) and Mr. Jose Kurian (Independent Director).

Nomination and Remuneration Committee

The Nomination and Remuneration Committee was reconstituted vide board resolution dated 08th September 2015 pursuant to Section 178 of the Companies Act 2013 and the Companies (Meetings of Board and its Powers) Rules, 2014. The Nomination and Remuneration Committee comprises of Mr. K. R. Bijimon (Non - Executive Director), Mr. K. George John (Independent Director) and Mr. Jose Kurian (Independent Director).

Policy on appointment and remuneration of directors, Key managerial personnel and other employees

Your Board, on recommendation of Nomination and Remuneration Committee, has formulated a policy for selection, appointment and remuneration of the directors, senior management personnel as required under Section 178(3) of Companies Act, 2013. Details of the said Policy are annexed to this report as Annexure 4.The Board carried out annual performance evaluation of it's own Committees and individual directors based on the criteria and frame work adopted by the Board. The results of such evaluation were placed before the Board.

Audit

a) Statutory Audit under Section 139

M/s Rangamani & Co (Firm Regn No 003050 S), Chartered Accountants, Kochi was appointed as the Statutory Auditors for a term of 5 years in the annual general meeting of the company held on 30.09.2014, subject to the ratification at every annual general meeting held thereafter. M/s Rangamani & Co who are due to retire at the forthcoming Annual General Meeting, have expressed their unwillingness to be re-appointed as the Auditors of the Company.

A special notice under the provisions of Section 140(4)(I) read with Section 115 of the Companies Act, 2013 has been received from a Member proposing the appointment of Walker Chandiok & Co LLP, Chartered Accountants as the Statutory Auditors in place of the retiring auditors. A copy of the special notice has been sent to M/s Rangamani & Co. Walker Chandiok & Co LLP have confirmed that the appointment, if made, would be acceptable to them and would be in compliance with the statutory requirements under the Companies Act, 2013.

The Board of Directors of the Company at its meeting held on 12th July 2017, based on the recommendation of the Audit Committee, have recommended the appointment of Walker Chandiok & Co LLP as the Statutory Auditors of the Company by the Members at the forthcoming Annual General Meeting of the Company for a term of 5 consecutive years. Accordingly, a resolution proposing appointment of Walker Chandiok & Co LLP as the Auditors of the Company for a term of five years from the conclusion of the 6th Annual General Meeting till the conclusion of the 11th Annual General Meeting pursuant to Section 139 of the Companies Act, 2013, forms part of the Notice of the 6th Annual General Meeting of the Company.

The Report given by M/s Rangamani & Co., Statutory Auditors on the financial statement of the Company for the year 2016-17 is part of the Annual Report. The Board places on record its appreciation for the services rendered by M/s Rangamani & Co., as the Auditors of the Company.

b) Secretarial Audit

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors had appointed M/s ABP & Associates, a firm of Company Secretaries in Practice, to undertake the Secretarial Audit of the Company for the FY ended March 31, 2017. The Secretarial Audit Report forms part of the Annual Report (Annexure 5)

c) Explanations, or comments by the Board on qualification, reservation or adverse remark or disclaimer on audits for FY 2016-17

There are no qualifications, reservation or adverse remark or disclaimer on audits under section 139 and Section 204 of the Companies Act, 2013, for financial year 2016-17

Reporting on Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013

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.

Whistle Blower Policy

The Company has adopted a Whistle Blower Policy and established the necessary vigil mechanism for Directors and Employees to report genuine concerns about unethical behaviour, pursuant to the provisions of Section 177(9) and (10) of the Companies Act, 2013 read with Rule 7 of Companies (Meetings of Board and its Powers) Rules, 2014. The vigil mechanism provides for adequate safeguards against victimisation of persons who use such mechanism and make provision for direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases. It is hereby affirmed that no personnel of the Company has been denied access to the Audit Committee under the vigil mechanism. There were no complaints from the employees during the year 2016-17. The Whistle Blower Policy has been hosted on the Company's website.

Statutory and Regulatory Compliance

The Company has complied with the applicable statutory provisions, including those of the Companies Act, 2013, and the Income-tax Act, 1961. Further, the Company has complied with the NHB's Housing Finance Companies Directions, 2010, Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI), Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI), Anti-Money Laundering guidelines and such other applicable labour laws.

Cautionary Statement

Statements in the Management Discussion and Analysis Report describing the Company's objectives, expectations or predictions may be forward-looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statements, since various economic, legal, policyand regulatory factors may affect or influence the performance of the Company.

Acknowledgement

The Board of Directors wish to acknowledge the continued support and co-operation extended by the National Housing Bank, Ministry of Corporate Affairs, other government authorities, Banks and other stakeholders. Your Directors would also like to take this opportunity to express their appreciation for the dedicated efforts of the employees of the Company.

Kochi	**Eapen Alexander Muthoot**	**George Alexander Muthoot**
12.07.2017	(Whole-time Director)	(Director)

Annexure 1

Management Discussion and Analysis Report

GLOBAL ECONOMY OVERVIEW

Going by the trend of cyclical recovery in investment, manufacturing and trade, the global economy picked up momentum in the second half of 2016. The positive outlook is expected to sustain with global Gross Domestic Product (GDP) growth rate expected to rise from 3.1% in 2016 to 3.4% in 2017 and 3.6% in 2018 (Source IMF). The outcome of two major events, Britain's referendum on withdrawal from the European Union (EU) and the presidential elections in USA, led to increased unpredictability in the global economy, leading to a cautious sentiment in 2017.

Taking a cue from the positive trends in emerging and developing economies due to the partial recovery in commodity prices, economic activity is projected to pick up significantly in advanced economies. Hence, market sentiment has been quite strong, with notable gains in equity markets, in both advanced and emerging economies.

In the back drop, a larger one undoubtedly are issues leading to challenges faced by the global economy which calls for individual country actions to be supported by multilateral co-operation. Collective action in preserving open trading system, safeguarding global financial stability, achieving equitable tax systems, and mitigating and adapting to climate change, remain critical at this turning point.

Overall, the sentiments have been turning positive and are likely to remain so as the markets look to a moderate but responsible growth keeping disruptive trends under control.

INDIAN ECONOMY OVERVIEW

Emerging as the world's sixth largest country in manufacturing, from the previous position of ninth, India retained its bright spot in the global economic landscape (Source PwC – India Budget 2017). The economic outlook became buoyant with the agrarian and rural economy benefiting from a good monsoon in 2016 after two successive rain-deficient years.

As a result of strong consumer sentiment, India's Consumer Confidence Index stood at 136 in the fourth quarter of 2016, topping the global list of countries on the same parameter (Nielsen - Market Research Agency). India's Gross Domestic Product (GDP) grew by 7% year-on-year in Oct-Dec 2016 quarter, the strongest growth among G-20 countries, as per Organization for Economic Co-operation and Development (OECD) Economic Survey of India - 2017. The International Monetary Fund (IMF) in its biannual World Economic Outlook (WEO), while retaining its India's GDP growth projection of 7.2% for 2017-18, increased the country's growth estimate for 2017 to 6.8%, from 6.6% estimated in January 2017. At the same time, IMF maintained that economic activity had slowed primarily because of the temporary negative consumption shock induced by cash shortages and payment disruptions from the currency exchange initiative. Macroeconomic indicators remain stable, headline CPI Inflation is expected to be below the target of 5% levels for Q4 FY 2017and is projected to average 4.5% in H1 F Y2017-18 and 5% for H2 FY 2017-18.

After constitution of Monetary Policy Committee (MPC), RBI have reduced the repo rates in October 2016 by 25 bps to 6.25% and the committee has made a shift in the policy stance from "accommodative" to "neutral" in February 2017.

The 'Make in India' campaign, launched in 2016, is aimed to boost the manufacturing sector in India, to increase the purchasing power of the average Indian consumer, which in turn will further boost demand and hence spur development, in addition to benefiting investors. The another great initiative i.e. 'Digital India', focuses on three core components; to create digital infrastructure, to deliver services digitally and to increase digital literacy.

On 8th November 2016, the Government of India announced its decision to demonetise high denomination bank notes of ₹ 500/- and ₹ 1,000/- issued by the Reserve Bank of India (RBI). This move was aimed at curbing tax evasion and financing of terrorism through the proceeds of fake Indian currency and black money. The RBI introduced a new series of bank notes in denominations of ₹ 500/- and ₹ 2,000/- for circulation from 10th November 2016. It was a welcome measure which, so far as the Real Estate Sector was concerned, resulted in initial slowing down of transactions. The impact of demonetisation seen in the last two months of the calendar year kept diminishing with the quick pace of remonetisation and a series of digitisation initiatives. The financial year 2016 -17 was a momentous year for India, characterised by the passage of Goods and Services Tax (GST) Bill, which is expected to be implemented in financial year 2017-18.

As the magnitude of surplus liquidity available with the banking system was expected to increase further in the fortnights ahead, it was decided by the Reserve Bank of India to absorb a part of this surplus liquidity by applying an incremental cash reserve ratio as a temporary measure. The existing CRR remained unchanged at 4% of the outstanding Net Demand and Time Liabilities (NDTL).

OVERVIEW OF THE FINANCIAL SERVICES INDUSTRY

India's financial services sector has grown from strength to strength, built on prudential lending practices, robust regulatory environment and sound technology base, and has ably met the aspirations of the vast population and enabled economic activities. While commercial banking stays at the forefront of the financial system, the growing pie of financial services is divided across specialised players extending customised services to different customer segments. The competitive landscape of financial services sector has witnessed rapid growth in the last couple of decades. This movement is taking place on the back of market forces enabling inclusive growth, meeting sectorial thrust, leveraging policy initiatives and the ability to attract cost effective financial resources.

From the point of significance of presence and performance, Non-Banking Finance Companies (NBFCs) and Housing Finance Companies (HFCs) continue to make a major impact on the lending side both in consumer/retail lending and commercial/business lending.

Banks followed by provident funds, pension funds and various savings schemes of the Government of India (GoI) retain major presence in the savings mobilisation process of the system.

The financial year 2017 has been a significant year for the Mutual Fund Industry. Mutual funds have also made considerable inroads in mobilising household savings and increasing the share of savings allocated directly to equity and debt capital markets The assets under management of the industry for the quarter January 2017 to March 2017 touched all time high at ₹ 18,29,584 crore.

Assets held by individual investors have been growing at a faster pace than assets of institutional investors. Equity funds have been witnessing significant flows for the last 2 years. This year, besides equity funds, income and balanced funds also saw a huge amount of inflows. The balanced fund category more than doubled its assets in 2017. Mutual Fund folios have increased by more than 51 Lakhs (~11%) in the 9 months to December 2016. This indicates a significant addition of new investors to the mutual fund industry.

Credit rating, mortgage registration and mortgage backed securitisation are adding strength to the value addition of the system to support growth with appropriate risk management mechanism.

The Government and the Reserve Bank of India (RBI) opened up the banking sector in 2015 after a long gap of over 2 decades to allow differentiated banking in the form of Payment Bank and Small Finance Bank (SFB). While payment banks are allowed to extend savings account benefit of small sum, they are expected to play a major role in connecting with the un-banked population for transaction and act as a distribution channel for micro credit, micro insurance and micro savings schemes. Micro Finance Institutions (MFI) or Small NBFCs which were allowed to convert to Small Finance Banks can extend savings products and retain their focus on lending to priority sector customers. RBI has also announced draft guidelines for on-tap license for banks, but this is yet to take off although there are many aspirants waiting for more clarity and dispensation in rules.

The financial year 2017 also witnessed Indian Postal Payment Bank donning the cap of bank and extending banking services and leveraging its vast network of post offices and superior geographic reach.

Overall, the financial services industry has come a long way in its reach and resilience. Niche market players and product innovations are making a mark in the financial services space.

HOUSING FINANCE SECTOR AND FUTURE OUTLOOK

India's housing finance sector is an important contributor to the entire economy. It is the second-largest loan portfolio for NBFCs / HFCs after infrastructure and an important employment generating sector, accounting for 5-6% share of India's GDP and capital formation. It is perceived as the third most impactful industry in India in terms of its effects on other industries. The Housing Finance sector directly and indirectly impacts over 250 ancillary industries, comprising of cement, steel, transport, construction, paint, brick, building materials, consumer durables and so on.

The fact that there is shortage of housing in India is not in contention. Clearly, despite a considerable increase in the housing stock, it is the supply of affordable housing that is the biggest challenge in India's urbanisation. The types of housing are broadly classified into Economically Weaker Section (EWS), Low Income Group (LIG), Middle Income Group (MIG) and High Income Group (HIG). As land and housing are state subjects the classification of income group also varies from state to state.

The EWS and LIG category together accounts for 68% of the housing shortfall in urban India. For LIG, an 'affordable house' would cost (on the higher side) ₹ 25 lakh, approximately 5 times the annual gross income of the LIG income group, making it in fact not very affordable, resulting in increased dependence on either subsidies or government constructions as a means of bridging the ever-increasing affordable housing gap.

The Government has been at the forefront in encouraging housing sector and have taken various initiatives in this regard. The key reforms introduced by the government to boost the housing sector in India which in turn will have a positive impact on the housing finance sector are discussed below:

- **Housing for All**
  The Union Cabinet launched the "Housing for All by 2022" project on June 25, 2015, also known as the Pradhan MantriAwasYojana ("PMAY"), aimed at urban areas. The key components of PMAY, include:
  - benefits for slum redevelopment projects, such as extra floor space index and transferable development rights ifrequired, grant of ₹1 lakh per house, "free sale" component for developers;
  - assistance of ₹1.5 lakh per house for the economically weaker sections, in projects wherein the project has at least 250 houses and 35% houses are reserved for economically weaker sections;
  - subsidy @ 6.5% per annum for economically weaker sections and lower income group for loans up to ₹6 lakh (calculated at net present value);
  - subsidy @ 4% and 3% respectively to Middle Income group as per the pre-defined criteria for loan amount upto₹9 lakh &₹12 lakh respectively (calculated at net present value)
  - assistance of ₹1.5 lakh for individuals in the economically weaker sections category for the construction of their own house

- **Indira Awaas Yojana (IAY)**
  IAY, a flagship scheme of the Ministry of Rural Development (Government of India), aims to provide houses to ruralhouseholds that fall below the poverty line and belong primarily to the scheduled caste, scheduled tribe and bonded labour categories. Under this scheme, the cost is borne by the Central and State Governments in the proportion of 75:25. An allocation of ₹ 100 billion had been made under the Union Budget for 2015-16.

- **Key provisions introduced in the Union Budget, 2017**
  The Union Budget has allocated Rs. 20,000 Crores to the NHB (National Housing Bank) for refinance operations and increased allocation to Rs. 23,000 Crores to PMAY. The apartment size eligible for subsidy has been reclassified from being measured as built up area to now being measured as carpet area which now makes more units eligible for subsidy under CLSS.The CRISIL Report states that the usage of carpet area instead of built-up area and extension of project completion timeline from three to five years under the profit-linked income tax deduction scheme (80- IBA) for developers, focusing on affordable housing will further widen the sector's scope.

  The tax relief provided to the developers on the unsold stock on the notional income for one year post completion of the project would provide support to the real estate sector that had been struggling with sluggish sales compounded by demonetization.

  The budget has given "infrastructure" status to affordable housing which would bring down the cost of funds for the construction of project which expected to result in formal and reputed builders venturing into the affordable housing space as a sector itself becomes attractive.

- **The Real Estate (Regulation and Development) Act**
  The Real Estate (Regulation and Development) Act, 2016 received the assent of the President on March 25, 2016 ("Real Estate Act"). The Real Estate Act seeks to protect consumer interest, ensure efficiency in all property-related transactions, improve the accountability of developers, enhance transparency, and attract more investments to the sector.

  The Real Estate Act will regulate both commercial and residential projects and set up state-level regulatory authorities to monitor real estate activities. It will thus improve buyer confidence and bolster demand for residential real estate. It incorporates mandatory disclosure clauses, which would provide greater clarity on project standards and time lines for completion. For developers, while this Real Estate Act implies stringent regulatory control, it will also translate into better demand, as buyer confidence improves. In terms of supply, delays in handover of projects are likely to decline as clauses mentioned in the Real Estate Act mandates strong commitment from developers to complete projects on schedule.

Other Key growth drivers for the Housing Finance Industry

India's Housing along with Housing Finance Sector has strong growth potential and the key factors that will primarily drive the demand are discussed below:

- **Housing demand tracks population growth**
  Housing demand is primarily a function of population growth. Between 2011 and 2021, India's population is projected toincrease approximately 10%-12% to 1.3-1.4 billion. Such an event will see housing demand touch 283-287 million. During 2001 to 2011, the population grew nearly 18% to about 1.21 billion, and comprised about 246.7 million households.

  The home loan disbursements by banks and housing finance companies (HFC) rose by close to 17% year-onyear in financial year 2015-16. Demand for individual home loans went up despite high residential prices in major cities as consumer optimism increased after the 2014 Lok Sabha elections. Higher transaction volumes in Tier-II and Tier-III (non-metro)cities, growth in disposable income and fiscal incentives on housing loans, along with more options in theaffordable housing segment aided a robust off-take.

  As migration continues the share of urban population in the urban-rural mix, which stood at about 31% in 2011, isexpected to expand to nearly 35%-37% by 2020.(Source CRISIL Research report on Retail Finance - Housing – Annual Review – August 2016)

- **Tax incentives**
  The government has used tax regulations to promote the housing sector, including
  - providing interest subsidy of 6.5% for loans up to ₹6 lakh, 4% for loans up to ₹9 lakh and 3% for loans up to ₹12 lakh under Pradhan MantriAwasYojana (PMAY).
  - tax incentives for annual interest payments of up to ₹2 lakh (₹3 lakh for senior citizens) on housing loan.
  - deduction of principal repayment limit of upto₹1.5 lakh on home loan under Section 80C of the Income Tax Act, 1961.
  - holding period for immovable assets, including residential property, reduced from three to two years; for long-term capital gains, indexation year changed from 1981 to 2001 and exemption in capital gains accruing from transfer of residential property, if invested in acquiring/constructing a residential building within 2-3 years.
  - EPFO (Employees' Provident Fund Organization) has amended the Employees' Provident Funds (EPF) Scheme, 1952 by inserting a paragraph 68 BD, which enables a subscriber to make down payment to buy homes and pay EMIs through the EPF account. EPFO members can withdraw upto 90% of their accumulation (employer's contribution + employee's contribution + accumulated interest) for purchase and construction of homes.

- **Growth in government investments towards housing segment in recent Five Year Plans**
  Over the last decade, the economy has witnessed turbulent cycles including a major slowdown in 2008. While each subsequent Five Year Plan was based on the actual versus budgeted comparison (of the previous plan), the policy directions were linked to the local and global macro-economic scenarios. Over the last three, Five Year Plans, the total allocation/ budgetary outlay has grown by over five times (between the 10thand 12thFive Year Plan). During the same period, the share of housing and urban development has improved from 7% to 10%, clearly highlighting the government's focus on housing and urban development.

- **External Commercial Borrowings (ECB)**
  The extant ECB policy permitted infrastructure companies to borrow in foreign currency in the external market but specifically prohibited usage of funds for real estate or onward lending to other entities for use in real estateor purchase of land. With the classification of affordable housing as "infrastructure", this restriction is removed. For infrastructure and green-field projects, funding up to 50% (through ECB) is allowed. Borrowers can use 25% of the ECB to repay rupee debt and the remaining 75% should be used for new projects. Non-Banking Financial Companies -Infrastructure Finance Companies (NBFC-IFCs)& NBFCs- Asset Finance Companies (NBFC-AFCs), are allowed to raise ECB only for financing infrastructure. ECB limit under the automatic route is 75% of their owned funds, including the outstanding ECBs.

- **Financing Options**
  The most significant outcome of the conferred infra status is the access to long-term finance that will be made available.Insurance and pension funds and alternative investment funds (AIFs) will now be able to deploy money into the affordable housing sector. Money raised by way of infrastructure bonds can also be used for financing affordable houses. Builders can now raise money by issuing infrastructure bonds to finance their building costs. Withholding tax for these bonds will now be only 5%.

- **Focus on Tier-II and Tier-III cities and rural areas**
  Increase in disbursed economic activities supported by rising access to financial services and the growth of new

middle class in these new geographies are collectively expected to support the growth in housing sector and housing finance companies in a sustainable manner. Rising demand for housing from Tier -II and Tier-III cities, and the subsequent surge in construction activity, have resulted in financiers placing greater focus on these geographies. Resultantly, penetration of financial services in urban areas is estimated to have increased to 42.7% in 2016 from an estimated 39% in 2011-12 in urban areas, and to 8.95% from 8.20% during the same period in rural areas. CRISIL Research expects finance penetration to increase to 44.5% in urban areas and to 9.4% in rural areas by 2017-18, owing to the drive for affordable housing and rising demand for loans with progressively higher ticket size within this segment.

Rural areas in specific are likely to witness considerable improvement in penetration of financial services, led by the Government's efforts to provide housing for all. However operational challenges such as lack of customisation of products to suit farming income flow, absence of collection services network, differences in appraisal for self-construction continue to be key hindrances in addressing the distinct needs of rural market as compared with the urban markets. Thus, industry requires greater understanding, customization and commitment to enable rural expansion. (Source: CRISIL Research report on Retail Finance - Housing – Annual Review – August 2016)

THE ROLE OF HOUSING FINANCE COMPANIESAND THEIR OPPORTUNITY LANDSCAPE

The objectives of Government's project 'Housing for All' by 2022, cannot be met without a robust housing finance sector. Financing for the end consumer must be considered along with financing for affordable houses. In this context, it is pertinent to mention that Housing Finance Companies (HFCs) have played a vital role in the Indian economy over the years, few of them being enumerated below:

- HFCs have been at the forefront in catering to the financial needs of the economically disadvantaged sections of society.
- Over the years, HFCs have gained a significant market share in India's mortgage market.
- HFCs have strong origination skills, focused approach, niche marketing, customer service orientation, diverse channels of sourcing business and last-mile connectivity.

The Indian housing finance industry is growing fast. Mortgage lending is a strong driver of growth. Between 2010-11 and 2016, the total outstanding of mid and small HFCs grew at 32% CAGR vis-a-vis CAGR of 23% for large HFCs. Thus, mid-sized HFCs reported 17% market share in 2016 from around 7% in 2009-10, propelled by a focus on secured lending and better information availability. Home loan disbursements to record five-year CAGR of 17-18% to reach ₹ 9.0 trillion by 2020-21, aided by higher finance penetration, improving affordability, urbanization and demand for affordable housing. (CRISIL Research on Retail Finance - Housing – Annual Review – August 2016)

Despite strong growth in outstanding housing loans in India in recent years, India's housing finance sector remains relatively under penetrated when compared with other advanced economies. India's Asian peers have also performed much better, with mortgage penetration in India lagging behind its regional peers by almost a decade.

The major opportunities in the HFC sector comprise the following:

- Growing urbanisation, along with rising aspirations for a better quality of life;
- Enhanced penetration into Tier-II and Tier-III cities, product-process innovation and regulatory framework giving thrust to supply side;
- Over 470 mn people will reside in Indian cities in 2020, up from 420 mn in 2015 (Source EY Report);
- By 2020, India may be the world's youngest nation, with a median age of 29 years, compared with a median age of 37 years in China during the period;
- Over 70% of national GDP will be generated by urban areas by 2020, up from 65% in 2015 (Source EY Report);
- Social mega trends like nuclearization of families, double-income families because of growing economic empowerment of women and focus on property buying as an additional investment proposition;
- India's large youth population could potentially make India the biggest consumer market and the biggest labour force in the world;
- Government initiatives to drive affordable housing with a well-articulated Vision under 'Housing For All', is a major growth driver for the industry.

Key Challenges for HFCs

Despite the bouquet of opportunities available with housing finance companies, there are few challenges that may be faced by them, the key ones comprise:

- Availability of long-term bulk finance at competitive rates;
- Low absorption of debt market and interest rate risk associated with long-term lending;
- Investment in technology and maintaining a cost-effective delivery model in customer acquisition – particularly in the LMI segment ;
- From a demand-for-home-loan point of view, promoting the supply of affordable home construction through appropriate public private partnerships is the need of the hour;
- The legal process for enforcement of mortgaged securities, land records and registration of documents continue to pose hurdles in the rapid growth of mortgage finance industry.

Threats for HFCs

The primary threat to housing finance companies stems from economic downturn and a slowdown in employment or income opportunities. Infrastructure bottlenecks that could slow down progression of urbanisation in newer centres is a close secondary.

Adverse developments in the real estate sector like causing delays and defaults in project completion – may cause a setback to new and existing loans. Similarly, the rising cost of houses acts as a barrier to end-user affordability and demand resistance may trigger inventory build-up and an overall slowdown in the housing sector which in turn will have negative impact on the housing finance companies.

Increasing business-origination costs, coupled with easier option of building book through balance transfer and lower lending yields could impact the profitability indicators of HFCs. Similarly the intensity of competition may also head housing finance companies to relax certain lending norms and take higher risk on their book. This could be in the form of lower loss to value ratio, higher eligibility ratio extended to the borrowers or structuring of new products to give higher loan entitlement.

The real estate sector, by and large driven by cash, was affected by the demonetisation move. The major impact of demonetisation will be felt mostly in the secondary sales market where the incidence of cash transactions is very high.

The luxury and high end segment of residential real estate may also experience a major impact in terms of sales since this segment is mainly driven by cash transactions (a small part of the segment has taken re-course to banking/financing channels). This is likely to lead to considerable price corrections in the medium term since sellers may resort to distress sale by way of price negotiation or indirect promotional offers and discounts to reduce their inventory and tide over financial difficulties, especially at a time when buyers are showing their preference for completed or nearly completed projects which are configured in line with end users' requirements and affordability levels.

The primary market which mainly comprises of projects undertaken by reputable and credible developers in the top 8 cities like Mumbai, NCR, Bengaluru, Chennai, Pune and Hyderabad are unlikely to see any major impact on sales since buyers under such projects usually take the home loan route to purchase their houses and do transactions through banking/financing channels. There might be some impact on a few projects in some tier 2 or tier 3 cities where cash has played a role even in primary sales.

The real estate and housing sector, being an important contributor to the Indian economy, constituted 8% of India's Gross Value Added (GVA) and grew by 9.1% in 2014-15. The sector has grown at a CRAR of 8.1% since 2011-12 but is currently witnessing a slowdown in sales resulting in increase in the inventory of unsold housing units. The announcements made in the Union Budget 2016-17 as also the multi-pronged thrust being provided to housing under the Prime Minister's Housing for All by 2022 Mission, have started making the desired impact on the sector, particularly in the affordable segment. It is further expected that these initiatives will go a long way in ameliorating the housing shortage in the country and achieving the objective of Housing for All.

In the long run, the demonetisation exercise along with the Real Estate (Regulation and Development) Act, (RERA) 2016, the Benami Transactions (Prohibition) Act, 1988, relaxation in the norms of the Real Estate Investment Trusts (REITs) and proposed Goods and Services Tax (GST) regime is bound to benefit the real estate sector by engendering all the stakeholders in the sector to conduct their dealings in a fair, transparent and legal manner

FINANCIAL AND PRODUCT WISE PERFORMANCE OF THE COMPANY

Your Company is a housing finance company registered with the National Housing Bank (NHB) with a registration number 05.0112.14 dated 19th May 2014. The Company commenced its operations during December 2014. As a step towards making a mark in the housing finance industry on a PAN India basis, the Company opened its Corporate Office in Mumbai during the year 2015-16 and commenced its operations in Mumbai during January 2016. During the financial year 2016-17, the Company carried out its operations in the States of Kerala, Maharashtra, Gujarat, Rajasthan and Madhya Pradesh.

Your Company sanctioned and disbursed home loans amounting to ₹ 57,079 and ₹ 41,580 lakhs respectively with an outstanding loan balance of ₹ 44,084 lakhs as on 31st March 2017. The Company has no non-performing assets (NPA) as on 31st March 2017.

Total borrowings as on 31st March 2017 stood at ₹ 21776 lakhs through Term loans from Banks as against NIL a year earlier. The Company duly repaid its term borrowings including debentures as and when they became due for payment and no debentures remained unclaimed by the investors at the year end.

Your company earned revenue of ₹ 2349.17 lakhs from its operations during the year. Total expenses increased from ₹ 186 lakhs in FY 2015-16 to ₹ 1,888 lakhs in FY 2016-17. Your Company earned a net profit of ₹ 287.37 lakhs, which was a significant increase from the previous year's net profit of ₹ 1.36 lakhs. Your Directors are hopeful for better results as regards to future prospects and profitability of the Company.

Your Company's primary offering is home loans suited to the affordable housing segment in India. It provides secured finance to individuals, partnership firms and companies for the purchase, self-construction, improvement and extension of homes, new and resalable flats.

Your company had signed an MOU with NHB which is the Central Nodal Agency under the Pradhan MantriAwasYojana (PMAY) for Credit Linked Subsidy Scheme (CLSS).

RISK MANAGEMENT

Your Company has a comprehensive Risk Management Policy in place and has laid down a well-defined risk management framework to identify, assess and monitor various elements of risk involved in the business and strengthen controls to mitigate risks. As mandated under the Directions issued by the National Housing Bank vide Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated 9th February 2017, the Company has constituted a Risk Management Committee which is responsible for putting in place a progressive risk management system, risk management policy and strategy to be followed by the Company. The members of the committee are Whole-time Director, Chief Executive Officer, and Head- Credit & Risk Management

The Company has to manage various risks such as credit risk, liquidity risk, interest rate risk and operational risk. The Risk Management Committee and the Asset Liability Management Committee review and monitor these risks at regular intervals. Major risks identified by the businesses and functions and functions are systematically addressed through mitigating actions on a continuing basis.

The Company manages its credit risk through stricter credit norms in line with the business requirements and continues to follow the time tested practice of personally assessing every borrower, before committing credit exposure. This process ensures that the expertise in lending operations acquired by the Company over the past years is put to best use and acts to mitigate credit risks.

Successful mortgage lending calls for timely identification, careful assessment and effective management of the credit, operational, market (interest-rate and liquidity) and reputation risks. The Company has adopted efficient risk-management policies, systems and processes that seek to strike an appropriate balance between risk and returns. The Company has also introduced appropriate risk management measures, such as accessing the applicant's credit history with credit information bureaus, field investigation of the applicant's credentials, adoption of prudent loan/value ratio and analysis of the borrower's debt-service capacity in addition to in-house scrutiny of the legal documents, lending majorly against approved properties, risk-based loan pricing and property insurance. The Company has employed qualified personnel to value properties and track property price movements. A separate recovery vertical has been set up to monitor recovery of dues from the borrowers. The Recovery Team constantly follows up with the borrowers for the collection of outstanding dues.

The Company monitors its Asset Liability Mismatch on an on-going basis to mitigate the liquidity risk, while interest rate risks arising out of Maturity Mismatch of assets and liabilities are managed through regular monitoring of the maturity profiles. The Company also measures the interest rate risk by the Duration Gap Method.

Operational risks arising from inadequate internal processes, people and systems or from external events are adequately addressed by the internal control systems and are continuously reviewed and monitored. The Senior Management Team regularly assesses the risks and takes appropriate measures to mitigate them. Process improvements and quality control are on-going activities and are built into the employees' training modules as well. The Company has well documented systems to ensure better control over transaction processing and regulatory compliance

HUMAN RESOURCES

Employees' contribution is vital to the Company's performance- both qualitative and quantitative. Accordingly, the Company's performance management system is used effectively to improve staff capabilities in areas such as leadership, team building, knowledge accessibility and productivity enhancement. An exclusive Training and Development Department, headed by a senior officer, has been setup to give additional impetus to the growing training needs of the employees. In-house on-the-job coaching and enhanced training programmes in various other functional areas were conducted during the year to upgrade the skills of employees and achieve functional effectiveness.

In addition, executives were seconded to various external training programmes and seminars on risk management, regulatory know-your-customer guidelines, anti-money laundering and the fair practices code. These training programmes enabled the staff members to sharpen their knowledge in their areas of responsibility. New employees are put through an induction programme covering business requirements, Company's processes, regulatory prescriptions and contours of personality development. There are no material developments in the human resources/industrial relations front adversely affecting the Company's business. The number of permanent employees on the rolls of the Company as on 31st March 2017 was 111

INTERNAL CONTROLS AND THEIR ADEQUACY

Your Company has a well-placed, proper, adequate and documented internal control system commensurate with the size and nature of its business. The primary objective of the internal control system is to ensure that all its assets are safeguarded and protected and to prevent any revenue leakage and losses to the Company. Such controls also enable reliable financial reporting.

The Company has an Audit and Inspection Department which conducts regular internal audits to examine the adequacy and compliance with policies, plans and statutory requirements. The Internal Audit Team directly reports to the Audit Committee of the Company. Significant audit observations and follow-up actions thereon are reported to the Audit Committee. The Audit Committee reviews the adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations, including those relating to strengthening of the Company's risk management policies and systems.

The Audit Committee oversees the functioning of the audit team and reviews the effectiveness of internal control at all levels apart from laying down constructive suggestions for improving the audit function in the Company. The present reporting structure ensures independence of the internal audit function and embodies best corporate governance practices.

Eapen Alexander Muthoot	**George Alexander Muthoot**
(Whole-time Director)	(Director)

Kochi
12.07.2017

Annexure 2

FORM NO. MGT - 9

EXTRACT OF ANNUAL RETURN

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

I. REGISTRATION DETAILS:

(i)	CIN	U65922KL2011PLC029231
(ii)	Registration Date	26.08.2011
(iii)	Name of the Company	Muthoot Homefin (India) Limited
(iv)	Category / Sub-Category of the Company	Company limited by shares / Indian Non- Government Company
(v)	Address of the Registered Office and Contact details	Muthoot Chambers, Kurian Towers Banerji Road, Ernakulam North, Kochi 18
	Phone	0484 – 6690518
	email	enquiry@muthoothomefin.com
	website	www.muthoothomefin.com
(vi)	Whether listed company	No
(vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products/ services	NIC Code of the Product / Service	% to total turnover of the Company
1	Residential Mortgage Loan Services	99711310	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary/ Associate	% of shares held	Applicable section
1	Muthoot Finance Limited	L65910KL1997PLC011300	Holding Company	88.27%	Section 2(87)

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category - wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	**Physical**	**Total**	**% of Total Shares**	**Demat**	**Physical**	**Total**	**% of Total Shares**	
A. Promoters									
(1) Indian									
a) Individual/HUF	-	8800000	8800000	17.60%	-	8800000	8800000	17.60%	(5.88)
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	41200000	41200000	82.40%	-	66200000	662000000	82.40%	5.88
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other….	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	-	50000000	50000000	100%	-	75000000	750000000	100%	-
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other….	-	-	-	-	-	-	-	-	-
Sub-total A (2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = A(1)+A(2)	-	10500000	10500000	100%	-	75000000	750000000	100%	-

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) (Continued)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	**Physical**	**Total**	**% of Total Shares**	**Demat**	**Physical**	**Total**	**% of Total Shares**	
B. Public Shareholding									
1) Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
c) Cen.Govt	-	-	-	-	-	-	-	-	-
d) State Govt	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture	-	-	-	-	-	-	-	-	-
Capital Funds									
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub Total B(1)	-	-	-	-	-	-	-	-	-
2) Non-institutions									
a) Bodies Corp	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub Total B(2)	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B) = B(1) + B(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs and ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A + B + C)	**-**	**10500000**	**10500000**	**100%**	**-**	**75000000**	**750000000**	**100%**	**-**

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	M G George Muthoot	1600000	3.20%	-	1600000	2.13%	-	(1.07)
2.	George Thomas Muthoot	1600000	3.20%	-	1600000	2.13%	-	(1.07)
3.	George Jacob Muthoot	1600000	3.20%	-	1600000	2.13%	-	(1.07)
4.	George Alexander Muthoot	1600000	3.20%	-	1600000	2.13%	-	(1.07)
5.	Sara George	600000	1.20%	-	600000	0.80%	-	(0.40)
6.	Susan Thomas	600000	1.20%	-	600000	0.80%	-	(0.40)
7.	Elizabeth Jacob	600000	1.20%	-	600000	0.80%	-	(0.40)
8.	Anna Alexander	600000	1.20%	-	600000	0.80%	-	(0.40)
9.	Muthoot Vehicle & Asset Finance Ltd	1700000	3.40%	-	0	0	-	(3.40)
10.	Muthoot Finance Ltd	39500000	79.00%	-	66200000	88.27%	-	9.27
	Total	**50000000**	**100%**	**-**	**75000000**	**100%**	**-**	

(iii) Change in Promoters' Shareholding

Muthoot Finance Limited	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	39500000	79%	39500000	79%
Increase in shareholding pursuant to allotment of 2,50,00,000 equity shares to Muthoot Finance Limited	25000000		25000000	
Transfer of 17,00,000 equity shares of Muthoot Vehicle & Asset Finance Ltd to Muthoot Finance Limited	1700000		1700000	
At the end of the year	66200000	88.27%	66200000	88.27%

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

For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	-	-	-	-
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc	-	-	-	-
At the end of the year (or on the date of separation, if separated during the year)	-	-	-	-

(v) Shareholding of Directors

Name of Director		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
M. G. George Muthoot	At the beginning of the year	1600000	3.20%	1600000	3.20%
	Decrease in shareholding pursuant to further allotment of 2,50,00,000 equity shares by the Company to Muthoot Finance Ltd on rights basis and transfer of 17,00,000 equity shares by Muthoot Vehicle & Asset Finance Limited to Muthoot Finance Limited.	-	(1.07%)	-	(1.07%)
	At the end of the year	1600000	2.13%	1600000	2.13%
George Thomas Muthoot	At the beginning of the year	1600000	3.20%	1600000	3.20%
	Decrease in shareholding pursuant to further allotment of 2,50,00,000 equity shares by the Company to Muthoot Finance Ltd on rights basis and transfer of 17,00,000 equity shares by Muthoot Vehicle & Asset Finance Limited to Muthoot Finance Limited.	-	(1.07%)	-	(1.07%)
	At the end of the year	1600000	2.13%	1600000	2.13%
George Alexander Muthoot	At the beginning of the year	1600000	3.20%	1600000	3.20%
	Decrease in shareholding pursuant to further allotment of 2,50,00,000 equity shares by the Company to Muthoot Finance Ltd on rights basis and transfer of 17,00,000 equity shares by Muthoot Vehicle & Asset Finance Limited to Muthoot Finance Limited.	-	(1.07%)	-	(1.07%)
	At the end of the year	1600000	2.13%	1600000	2.13%
Eapen Alexander Muthoot	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc	-	-	-	-
	At the end of the year	-	-	-	-
K. George John	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc	-	-	-	-
	At the end of the year	-	-	-	-

(v) Shareholding of Directors (Continued)

Name of Director		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
Jose Kurian	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc	-	-	-	-
	At the end of the year	-	-	-	-
K.R.Bijimon	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc	-	-	-	-
	At the end of the year	-	-	-	-

(vi) Shareholding of Key Managerial Personnel

Key Managerial Personnel		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
Ramratthinam.S (Chief Executive Officer)	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc	-	-	-	-
	At the end of the year	-	-	-	-
Ashish Ranka (Chief Financial Officer)	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc	-	-	-	-
	At the end of the year	-	-	-	-
Jinu Mathen (Company Secretary)	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc	-	-	-	-
	At the end of the year	-	-	-	-

V. INDEBTEDNESS

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

(₹ in lakhs)

	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 paid	-	-	-	-
Total (i+ii+iii)	**-**	**-**	**-**	**-**
Change in indebtedness during the financial year				
Addition	21767.03	-	-	21767.03
Reduction	-	-	-	-
Net Change	**21767.03**	**-**	**-**	**21767.03**
Indebtedness at the end of the financial year				
i) Principal Amount	21767.03	-	-	21767.03
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not paid	-	-	-	-
Total (i+ii+iii)	**21767.03**	**-**	**-**	**21767.03**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in lakhs)

		Particulars of Remuneration	Eapen Alexander Muthoot (Whole-time Director)	Total
1		Gross Salary		
	a)	Salary as per provisions contained in section 17(1) of		
		the Income Tax Act, 1961	12	12
	b)	Value of perquisites u/s 17(2) Income Tax Act, 1961		
	c)	Profits in lieu of salary under section 17(3) of		
		Income Tax Act, 1961		
2		Stock Option	-	-
3		Sweat Equity	-	-
4		Commission	-	-
		as % of profit		
		others, specify		
5		Others	-	-
		Total (A)	12	12

B. Remuneration to other directors

(₹ in lakhs)

Particulars of Remuneration			
Independent Directors	**K. George John**	**Jose Kurian**	**Total**
Fee for attending board - committee meetings	0.20	0.20	0.40
Commission	—	—	
Others, please specify	—	—	
Total (1)			
Other Non-Executive Directors	**K.R.Bijimon**		
Fee for attending board - committee meetings	0.45	—	0.45
Commission	—	—	
Others, please specify	—	—	
Total (2)			
Total B = (1) + (2)	**0.65**	**0.20**	**0.85**

C. Remuneration To Key Managerial Personnel other than MD / WTD / Manager

(₹ in lakhs)

	Particulars of Remuneration	Key Managerial Personnel			
		CEO	**CFO**	**Company Secretary**	**Total**
1	Gross salary	67.91	7.43	4.97	80.31
	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	-	-	-	-
	Total	**67.91**	**7.43**	**4.97**	**80.31**

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/NCLT/ COURT)	Appeal made, if any (give details)
A. COMPANY					
Penalty					
Punishment			NIL		
Compounding					
B. DIRECTORS					
Penalty					
Punishment			NIL		
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment			NIL		
Compounding					

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12.07.2017

Eapen Alexander Muthoot
(Whole-time Director)

George Alexander Muthoot
(Director)

Annexure 3

FORM NO. AOC.2

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto
(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

I	**Details of contracts or arrangements or transactions not at arm's length basis**	**NIL**
a	Name(s) of the related party and nature of relationship	
b	Nature of contracts/arrangements/transactions	
c	Duration of the contracts/arrangements/transactions	
d	Salient terms of the contracts or arrangements or transactions including the value, if any	
e	Justification for entering into such contracts or arrangements or transactions	
f	date(s) of approval by the Board	
g	Amount paid as advances, if any:	
h	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	

II	**Details of material contracts or arrangement or transactions at arm's length basis**	**NIL**
a	Name(s) of the related party and nature of relationship	
b	Nature of contracts/arrangements/transactions	
c	Duration of the contracts/arrangements/transactions	
d	Salient terms of the contracts or arrangements or transactions including the value, if any	
e	Justification for entering into such contracts or arrangements or transactions	
f	date(s) of approval by the Board	
g	Amount paid as advances, if any:	

Kochi
12.07.2017

Eapen Alexander Muthoot
(Whole-time Director)

George Alexander Muthoot
(Director)

Annexure 3A

Related Party Transaction Policy

1. PREAMBLE

In terms of Section 188 of the Companies Act, 2013 read with Rules made thereunder, the Board of Directors (the "Board") of Muthoot Homefin (India) Limited (the "Company" or "MHIL"), have basis the recommendations of the Audit Committee Members framed and adopted the Related Party Transaction Policy ["Policy" or "this Policy"] with effect from 01st March 2016 which defines and lays down the procedures with regard to Related Party Transactions. This policy aims to regulate transactions between the Company and its Related Parties, based on the laws and regulations applicable to the Company.

2. OBJECTIVE

The objective of this Policy is to regulate transactions with related parties and ensure transparency between them. It sets out the materiality thresholds for related party transactions and the manner of dealing with such transactions in accordance with the provisions of Companies Act, 2013 and Rules made thereunder including any amendment(s)/ modification(s) thereof.

3. DEFINITIONS

"Act" means the Companies Act, 2013 and rules made thereunder and includes any amendment(s)/ modification(s) thereof.

"Arm's Length Transaction" means transaction between two related or affiliated parties that is conducted as if they were unrelated, so that there is no question of conflict of interest.

"Audit Committee/Committee" means Committee of Board of Directors of the Company constituted as per the provisions of the Companies Act, 2013.

"Key Managerial Personnel" (as defined in Section 2 (51) of the Companies Act, 2013), in relation to the Company, means –

i. Chief Executive Officer or the Managing Director or the Manager
ii. Company Secretary
iii. Whole Time Director
iv. Chief Financial Officer and
v. Such other officer as may be prescribed by the Government.

"Policy" means Related Party Transaction Policy.

"Material Related Party Transaction(s)" means transaction/ transactions with the related party to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the Company, as per the last audited financial statements of the company."

"Related Party" shall mean a related party as defined under sub-section (76) of Section 2 of the Companies Act, 2013 or under the applicable accounting standards

Section 2(76) of the Companies Act, 2013, as referred above, defines Related Party as —

i. A Director or his relative;
ii. A Key Managerial Personnel or his relative;
iii. A firm, in which a director, manager or his relative is a partner;
iv. A private company in which a director or manager or his relative is a member or director;
v. A public company in which a director or manager is a director and holds along with his relatives, more than two per cent of its paid-up share capital;
vi. Any body corporate whose Board of Directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager; [Except advice, directions or instructions given in a professional capacity]
vii. Any person on whose advice, directions or instructions a director or manager is accustomed to act. [Except advice, directions or instructions given in a professional capacity]
viii. Any company which is a holding, subsidiary or an associate company of such company; or a subsidiary of a holding company to which it is also a subsidiary.
ix. A director other than an Independent Director or Key Managerial Personnel of the holding Company or his relative with reference to a Company.

"Relative" as per section 2 (77) of the Companies Act, 2013, with reference to any person, shall be deemed to be relative of another, if he or she is related to another in the following manner, namely:-

i. Father, includes step-father.
ii. Mother, includes step-mother.
iii. Son, includes step-son
iv. Son's wife.
v. Daughter.
vi. Daughter's husband.
vii. Brother, includes step-brother.
viii. Sister, includes step-sister.
ix. Are members of a Hindu Undivided Family
x. They are Husband and wife.

"Related Party Transaction" shall mean to include:

a. Transfer of resources, services or obligations between the Company and a related party, regardless of whether a price is charged and a "transaction" with a related party shall be construed to include a single transaction or a group of transactions in a contract;
b. Contracts or arrangements entered into with related party for:
i. Sale, purchase or supply of any goods or materials;
ii. Selling or otherwise disposing of, or buying, property of any kind;
iii. Leasing of property of any kind;
iv. Availing or rendering of any services;
v. Appointment of any agent for purchase or sale of goods, materials, services or property;
vi. Such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company; and
vii. Underwriting the subscription of any securities or derivatives thereof, of the Company.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013

4. TERMS OF THE POLICY

4.1 All the Related Party Transactions proposed to be entered by the Company shall require prior approval of the Audit Committee including the transactions to be entered in the ordinary course of business. The Audit Committee shall recommend the Related Party Transaction(s) for the approval of Board of Directors/ Shareholders as per the terms of this policy and the applicable provisions of the Companies Act, 2013 or any amendment(s) / modification (s) thereto.

4.2 The Related Party Transactions entered into in the ordinary course of business and transacted at arms' length shall not require approval of the Board of Directors. However, all related party transactions to be entered by the Company shall require prior approval of the Audit Committee.

4.3 All the Material Related Party Transaction and Related Party Transactions as defined under Section 188 (1), exceeding the threshold limits prescribed under Rule 15 sub rule(3) of Companies (Meetings of Board and its Powers) Second Amendment Rules, 2014, as detailed under Clause 4.4. below, shall require prior approval of the Audit Committee, Board of Directors and Shareholders of the Company by way of a resolution.

4.4 Transactions as prescribed under Rule 15(3) of the Companies (Meeting of Board and its Powers) Rules, 2014, includes the transactions/ contracts/ arrangements as follows:

a. Contracts or arrangements with respect to clauses (a) to (e) of Section 188 (1) of Companies Act, 2013 with criteria as mentioned below:

i. Sale, purchase or supply of any goods or materials, directly or through appointment of agent, amounting to ten percent or more of the turnover of the company or rupees one hundred crore, whichever is lower, as mentioned in clause (a) and clause (e) respectively of sub-section (1) of section 188 of Companies Act, 2013;

ii. Selling or otherwise disposing of or buying property of any kind, directly or through appointment of agent, amounting to ten percent or more of net worth of the company or rupees one hundred crore, whichever is lower, as mentioned in clause (b) and clause (e) respectively of sub-section (1) of section 188 of Companies Act, 2013;

iii. Leasing of property of any kind amounting to ten percent or more of the net worth of the company or ten percent or more of turnover of the company or rupees one hundred crore, whichever is lower, as mentioned in clause (c) of sub-section (1) of section 188 of Companies Act, 2013;

iv. Availing or rendering of any services, direct or through appointment of agent, amounting to ten percent or more of the turnover of the company or rupees fifty crore, whichever is lower, as mentioned in clause (d) and clause (e) respectively of sub-section (1) of section 188 of Companies Act, 2013. These limits shall however, apply for transaction or transactions to be entered into either individually or taken together with the previous transactions during a financial year.

b. Contracts or arrangements with respect to Clause (f) of Section 188 (1) wherein a related party's appointment to any office or place of profit in the Company, its subsidiary company or associate company is at a monthly remuneration exceeding two and a half lakh rupees.

c. Contracts or arrangements with respect to Clause (g) of Section 188 (1) wherein such related party receives a remuneration for underwriting the subscription of any securities or derivatives thereof, of the Company exceeding one percent of the net worth.

5. PROCEDURES

a. Review and approval of Related Party Transactions by Audit Committee Members

- Audit Committee shall review all the potential/proposed Related Party Transactions, to ensure that no conflict of interest exists and evaluate it from the perspective of Arms' Length Pricing.
- Any member of the Audit Committee who has an interest in the transaction under discussion shall abstain from voting on the approval of the Related Party Transaction, but may, if so requested by the Chairperson of the Committee, participate in some or all of the Committee's discussions of the Related Party Transaction.
- Audit Committee shall have all the rights to call for information/documents in order to understand the scope of the proposed related party transactions and devise an effective control system for the verification of supporting documents. The Audit Committee shall be provided with the following information and details pertaining to each proposed related party transactions/ contracts –

i. The name of the related party and nature of relationship;

ii. The nature, duration of the transaction /contract or arrangement and particulars of the transaction/ contract or arrangement;

iii. The material terms of the transaction/contract or arrangement including the value and / or the maximum amount for which the same is proposed to be entered into ;

iv. Any advance paid or received for the transaction / contract or arrangement, if any;

v. The manner of determining the pricing and other commercial terms, both included as part of transaction / contract and not considered as part of the same;

vi. Whether all factors relevant to the contract have been considered, if not, the details of factors not considered.

vii. The rationale for not considering the relevant factors; and

viii. Any other information relevant or important for the Audit/ Board to take a decision on the proposed transaction.

- The Audit Committee shall while reviewing the Related Party Transaction, consider all the relevant information/ facts submitted to it, including but not limited to the (a) Commercial or business reasonableness of the terms of the subject transaction so as to analyse that transaction is on an arms' length basis, benchmarking the same with the information and /or drawing reference to the information that may have a bearing on the arms' length analysis. eg: industry trends, certificate from an independent auditor, valuation reports, third party comparables, publications or quotations. etc. (b) availability and / or the opportunity cost of the alternate transactions (c) materiality and interest (direct/ indirect) of the related party in the subject transaction, (d) actual or apparent conflict of interest of the Related Party, (e) If the Related party is an Independent Director then the Audit Committee shall also consider the impact of the said Related Party Transaction on the Director's independence. Upon completion of its review of the transaction, the Audit Committee may determine whether to allow or disallow from entering into the Related Party Transaction. The Audit Committee shall also have the right to suggest any modification(s) in the proposed related party transaction. The Audit Committee, if considers it appropriate, can also propose modification/s in the approved related party transaction subsequently.

b. Omnibus Approval of Related Party Transactions

The Audit Committee may grant omnibus approval, pertaining to the transactions in the ordinary course of business, transactions for support service/ sharing of services with Associates Companies, Sub Lease of Office Premises or Office Sharing arrangement with Associate Companies or any other transactions or arrangements as it may deem appropriate, being proposed to be entered into on arms' length basis, subject to the following conditions.

i. The Audit Committee shall grant omnibus approval in line with this policy and such approval shall be applicable in respect of transactions which are repetitive in nature.

ii. The Audit Committee shall satisfy itself in respect of the need for such omnibus approval and that such approval is in the interest of the company;

iii. Such omnibus approval shall specify (i) the name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into, (ii) the indicative base price / current contracted price and the formula for variation in the price if any and (iii) such other conditions or criteria's, as the Audit Committee may deem fit;

However, where the need for Related Party Transaction cannot be foreseen and aforesaid details are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding ` 1 crore per transaction.

iv. Audit Committee shall review, on a quarterly basis, the details of Related Party Transactions entered into by the Company pursuant to each of the omnibus approval given.

v. Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.

c. Review and approval of Related Party Transactions by Board of Directors.

- In case the Audit Committee determines that the Related Party Transaction requires the approval of the Board of Directors or Shareholders as per the terms of this policy and applicable regulatory provisions then it shall refer the said Related Party Transaction to the Board of Directors for its approval alongwith all the relevant information/ documents pertaining to the same.
- The Board shall review the Related Party Transaction and recommendations of the Audit Committee, if any, and shall have the authority to call for such additional information as it may deem appropriate and may approve with or without modification(s) or reject the proposed related party transaction as per the terms of this policy and other applicable regulatory provisions.
- In case, the Board determines that the Related Party Transaction requires approval of the shareholders as per the terms of this policy and applicable regulatory provisions then it shall refer the said Related Party Transaction to the shareholders for its approval alongwith all the relevant information/documents pertaining to the same, as per the appropriate regulatory provisions.

d. All Material related party transaction(s) to be entered into between the Company and its Wholly owned Subsidiary whose accounts are consolidated with the Company and placed before the Shareholders at the general meeting for approval, shall not require approval of the Shareholders.

e. Approval of the Audit Committee /Board of Directors shall be required in case of any subsequent amendment/ modification/renewal, in the terms of the earlier approved Related Party Transaction, as the case may be.

6. DISCLOSURES

Every Director of a Company who is in any way, whether directly or indirectly, concerned or interested in a contract or arrangement or proposed contract or arrangement entered into or to be entered into—

a. With a body corporate in which such director or such director in association with any other director, holds more than two per cent shareholding of that body corporate, or is a promoter, manager, Chief Executive Officer of that body corporate; or

b. With a firm or other entity in which, such director is a partner, owner or member, as the case may be, shall disclose the nature of his concern or interest at the meeting of the Board in which the contract or arrangement is discussed and shall not participate in such meeting:

Provided that where any director who is not so concerned or interested at the time of entering into such contract or arrangement, he shall, if he becomes concerned or interested after the contract or arrangement is entered into, disclose his concern or interest forthwith when he becomes concerned or interested or at the first meeting of the Board held after he becomes so concerned or interested.

- Each Director, Key Managerial Personnel shall be required to disclose to the Audit Committee any potential Related Party Transaction(s) proposed to be entered into by them or their relatives.
- The Related Party Transaction entered into with the related party/ies shall be disclosed in the Director's Report / Annual Report as per the disclosure requirement(s) of the Companies Act, 2013. Material Transactions exceeding the threshold limits as prescribed under Rule 15 sub rule(3) of Companies (Meetings of Board and its Powers) Second Amendment Rules, 2014 shall be disclosed under "Details of material contracts or arrangements or transactions at arms' length" in Form no. AOC-2 as a part of the Directors Report, as prescribed under Companies Act, 2013.
- The particulars of all the Related Party Transaction entered into with the approval of the Audit Committee / Board of Directors / Shareholders shall be entered into the Register of Contracts or Arrangements in which Directors are interested, maintained by the Company as per the

provisions of the Companies Act, 2013 and rules framed thereunder.

- All entities falling under the definition of related parties shall abstain from voting at the Board Meeting or at Annual General Meeting irrespective of whether the entity is a party to the particular transaction/ contract / arrangement or not.
- This Policy shall be uploaded on the website of the Company and a web link thereto shall be provided in the Annual Report.
- Quarterly/periodical updates shall be provided to the Audit Committee members on the related party transactions entered by the Company.

7. RATIFICATION

If any contract or arrangement is entered into by a director or any other employee of the Company, without obtaining the consent of the Board or approval by a resolution in the general meeting as per the provisions of Section 188 (1) of the Companies Act, 2013 and if it is not ratified by the Board and/or by the shareholders at a meeting, as the case may be, within three monthsfrom the date on which such contract or arrangement was entered into, such contract or arrangement shall be voidable at the option of the Board and if the contract or arrangement is with a related party to any director, or is authorisedby any other director, the directors concerned shall indemnify the company against any loss incurred by it.

However, the above provisions for ratification shall not apply to the Material Related Party Transactions.

8. AMENDMENTS

The Audit Committee shall periodically review, propose modifications/ amendments, if deemed necessary, to this policy which shall be subject to the approval of the Board of Directors. In the event of any conflict between the provisions of this Policy, Act or any other statutory enactments/rules/laws, the provisions of such Act or any other statutory enactments/rules/laws would prevail over this Policy.

Kochi	**Eapen Alexander Muthoot**	**George Alexander Muthoot**
12.07.2017	(Whole-time Director)	(Director)

Annexure 4

Nomination and Remuneration Policy

The Board of Directors of Muthoot Homefin (India) Limited ("the Company") constituted a "Nomination and Remuneration Committee" consisting of three (3) Non-Executive Directors of which majority are Independent Directors.

1. Definitions:

1.1. "Act" means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.

1.2. "Board" means Board of Directors of the Company.

1.3. "Committee" means Nomination and Remuneration Committee

1.4. "Company" means Muthoot Homefin (India) Limited

1.5. "Director(s)" mean Directors of the Company.

1.6. Key Managerial Personnel (KMP) means

i. Managing Director or Chief Executive Officer or Manager;

ii. Whole-time director;

iii. Chief Financial Officer; and

iv. Company Secretary;

1.7. "Senior Management Personnel" means to include all members other than the Directors and KMPs of the Company, who are the functional heads of the departments of the Company

2. Objective

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013, read along with the applicable rules thereto. The Key Objectives of the Committee would be:

2.1. To guide the Board in relation to appointment and removal of Directors, KMP and Senior Management Personnel.

2.2. To evaluate the performance of the members of the Board, KMP and Senior Management Personnel and provide necessary report to the Board for further evaluation of the Board.

2.3. To recommend to the Board on remuneration payable to the Directors, KMP and Senior Management Personnel.

2.4. To provide to KMP and Senior Management Personnel reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.

2.5. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

3. Membership

3.1 The Committee shall consist of a minimum 3 non-executive directors, majority of them being independent.

3.2 Minimum two (2) members shall constitute a quorum for the Committee meeting.

3.3 Chairperson of the Committee shall be an independent director

3.4 Chairperson of the Company may be appointed as a member of the Committee but shall not be the Chairperson of the Committee

3.5 Term of the Committee shall be continued unless terminated by the Board of Directors

4. Frequency of Meetings

The meeting of the Committee shall be held at such regular intervals as may be required.

5. Role of Committee

5.1. Matters to be dealt with, perused and recommended to the Board by the Committee:

5.1.1. Formulate the criteria for determining qualifications, positive attributes and independence of a director.

5.1.2. Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.

5.1.3. Recommend to the Board the appointment and removal of Directors, KMP and Senior Management Personnel

5.2. Policy for appointment and removal of Director, KMP and Senior Management Personnel

5.2.1. Appointment criteria and qualifications

a) Enhancing the competencies of the Board and attracting as well as retaining talented employees for role of KMP/Senior Management Personnel are the basis for the Committee to select a candidate. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.

b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has the discretion to decide whether the qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond the age of seventy years.

5.2.2. Term / Tenure

a) Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

b) Independent Director:

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

(c) KMP / Senior Management Personnel:

The tenure of KMP / Senior Management Personnel shall be governed by the Company's HR policy

5.2.3. Evaluation

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

5.2.4. Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, subject to the provisions and compliance of the said Act, rules and regulations.

For KMP / Senior Management Personnel, removal will be governed by the Company's HR policy and subsequent approval of the Managing Director / Whole-time Director of the Company

5.2.5. Retirement

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

5.3. Policy relating to the Remuneration for the Whole-time Director, KMP and Senior Management Personnel

5.3.1. General:

a) The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.

b) The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Act.

c) Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director.

d) The remuneration payable to the KMP / Senior Management Personnel shall be as may be decided by the Board having regard to their experience, leadership abilities, initiative taking abiliites and knowledge base

d) Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

5.3.2. Remuneration to Whole-time Director; KMP and Senior Management Personnel:

a) Fixed pay:

The Whole-time Director, KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses etc. shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

b) Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director / Whole-time Director / Manager in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

c) Provisions for excess remuneration:

If any Managing Director / Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

5.3.3. Remuneration to Non- Executive / Independent Director:

a) Remuneration / Commission:

The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Act.

b) Sitting Fees:

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof provided that the amount of such fees shall not exceed ₹ 1,00,000 (Rupees one lakh) per meeting of the Board or Committee or such amount as may be prescribed by the Act and Rules made thereunder from time to time.

c) **Stock Options:**
An Independent Director shall not be entitled to any stock option of the Company.

6. Committee Members' Interest

6.1 A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.

7.2 The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee

7. Voting

7.1 Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.

7.2 In the case of equality of votes, the Chairperson of the meeting will have a casting vote.

8. Nomination Duties

The duties of the Committee in relation to nomination matters include:

8.1 Ensuring that there is an appropriate induction in place for new Directors, KMP and members of Senior Management Personnel and reviewing its effectiveness;

8.2 Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act;

8.3 Identifying and recommending Directors who are to be put forward for retirement by rotation.

8.4 Determining the appropriate size, diversity and composition of the Board;

8.5 Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;

8.6 Evaluating the performance of the Board members and Senior Management Personnel in the context of the Company's performance from business and compliance perspective;

8.7 Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.

8.8 Recommend any necessary changes to the Board; and

8.9 Considering any other matters, as may be requested by the Board.

9. Remuneration Duties

The duties of the Committee in relation to remuneration matters include:

9.1 to consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate.

9.2 to approve the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.

9.3 to ensure the relationship of remuneration to performance is clear and meets appropriate performance benchmarks

9.4 to consider any other matter as may be requested by the Board.

10. Minutes of the Meeting

Proceedings of all meetings must be minuted and signed by the Chairperson of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

Kochi 12.07.2017	**Eapen Alexander Muthoot** (Whole-time Director)	**George Alexander Muthoot** (Director)

Annexure 5

Form No. MR - 3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

(Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014)

To
The Members,
M/s. Muthoot Homefin (India) Limited
Muthoot Chambers, Kurian Tower, Banerji Road
Ernakulam North, Cochin – 682 018, Kerala

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Muthoot Homefin (India) Limited (CIN – U65922KL2011PLC029231) (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the M/s. Muthoot Homefin (India) Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, We hereby report that in our opinion, the Company has during the audit period covering the financial year ended on 31st March, 2017 complied with the statutory provisions listed hereunder, wherever and to the extent applicable, and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. Muthoot Homefin (India) Limited for the above said financial year ended on 31st March, 2017, according to the provisions of;
(i) The Companies Act, 2013 (the Act) and the rules made thereunder;
(ii) The Secretarial Standards 1 and 2 issued by the Institute of Company Secretaries of India.
(iii) The Memorandum and Articles of Association of the Company.
(iv) As informed to us, the following other laws, directions, circulars are specifically applicable to the company

1. National housing Bank Act, 1987
2. The Housing Finance companies (NHB) Directions, 2010
3. National Housing Bank Circulars, Notifications and Guidelines

We report that, during the period under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, standards mentioned above.

Further, the Company being a non-listed entity, the provisions of Listing agreement, Securities and Exchange Board of India Regulations, the Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder are not applicable.

Further, the Compliance of applicable financial laws, like Direct and Indirect Tax laws has not been reviewed in this audit, since they do not come under the scope of this audit.

We further report that, based on the information provided by the Company, its officers and authorised representatives during the conduct of the Audit, in our opinion, adequate systems and processes and control mechanism exist in the Company to monitor and ensure Compliance with applicable general laws

We further report that, the Board of Directors of the Company is duly constituted with proper balance of Independent and Non Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. As per the information given to us and duly certified by the management, adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Decisions carried through are captured and recorded as part of minutes.

We further report that, there are adequate systems and processes in the company commensurate with the size and operations of the company, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that the following key corporate actions were held during the period under review;

1. Enhancement of Authorised Share capital from ₹500,000,000/- to ₹1,000,000,000/- in the Annual General Meeting held on 22.08.2016.

2. Issuance of 25,000,000 equity shares of ₹ 10/- each on right issue basis at a premium of ₹ 1.37 per share on 05.09.2016.

This report is to be read with our letter of even date which is annexed hereto as Annexure A and forms an integral part of this report.

Place: Ernakulam
Date: 12.07.2017

For ABP & Associates

Pradeep P.C
Company Secretary
FCS 5170
CP No: 3905

Annexure A

To
The Members,
M/s. Muthoot Homefin (India) Limited
Muthoot Chambers, Kurian Tower, Banerji Road
Ernakulam North, Cochin – 682 018, Kerala

Our report of even date is to be read along with this letter

1. Maintenance of Secretarial or other statutory records is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these records based on our audit.

2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and books of accounts of the company.

4. Wherever required, we have obtained the Management representation about the Compliance of Laws, Rules and Regulations and happening of events, etc.

5. The Compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of the Management. Our examination was limited to the verification of procedure on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

Place: Ernakulam

For ABP & Associates

Date: 12.07.2017

Pradeep P.C
Company Secretary
FCS 5170
CP No: 3905

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, 2017, 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' judgement, 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, 2017, and its profit & loss account 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, 2017, taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2017 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.

   iv. The company had provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the company

Place: Kochi
Date: May 12, 2017

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

R. Sreenivasan
Partner
Membership No 020566

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, 2017 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, 2017 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) According to the records of the Company examined by us and the information and explanations given to us, we are of the opinion that the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks, government or dues to debenture holders, as applicable.

(ix) In our opinion and according to the information and explanations given to us, the Company has utilized the moneys raised by way term loans for the purposes for which they were raised.

(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) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3(xiv) of the Order is not applicable to the Company.

(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.

Place: Kochi
Date: May 12, 2017

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

R. Sreenivasan
Partner
Membership No 020566

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, 2017 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, 2017, 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.

Place: Kochi
Date: May 12, 2017

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

R. Sreenivasan
Partner
Membership No 020566

Independent Auditors' Report

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

As required by The Housing Finance Companies – Auditor's Report (National Housing Bank) Directions, 2016, we state that:

(i) The company has obtained a certificate of registration dated 19th May 2014 from National Housing Bank;

(ii) The company has met the Net Owned Fund (NOF) requirement as prescribed under Section 29A of the National Housing Bank Act, 1987

(iii) The company has complied with Section 29C of the National Housing Bank Act, 1987;

(iv) According to the information and explanations given to us, the Board of Directors has passed a resolution for non-acceptance of any public deposits;

(v) According to the information and explanations given to us,the company has not accepted any public deposits during the year;

(vi) According to the information and explanations given to us, the total borrowings of the company are within the limits prescribed under paragraph 3(2) of the Housing Finance Companies (NHB) Directions, 2010;

(vii) According to the information and explanations given to us, the company has complied with the prudential norms on income recognition, accounting standards, asset classification, loan-to-value ratio, provisioning requirements, disclosure in balance sheet, investment in real estate, exposure to capital market and engagement of brokers, and concentration of credit/investments as specified in the Housing Finance Companies (NHB) Directions, 2010;

(viii) 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;

(ix) The Company has furnished the Schedule- II Return to the Bank within the stipulated period as specified in the Housing Finance Companies (NHB) Directions, 2010;

(x) According to the information and explanations given to us, the Company is not required to furnish the Schedule- III Return on Statutory Liquid Assets to the Bank as specified in the Housing Finance Companies (NHB) Directions, 2010;

(xi) According to the information and explanations given to us, the company has complied with the requirements contained in the Housing Finance Companies (NHB) Directions, 2010 in respect of opening of new branches /offices or in the case of closure of existing branches/offices, as applicable;

(xii) According to the information and explanations given to us, the company has complied with the provisions contained in paragraph 38 and 38A of the Housing Finance Companies (NHB) Directions, 2010.

Place: Kochi
Date: May 12, 2017

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

R. Sreenivasan
Partner
Membership No 020566

Balance Sheet

as on 31st March 2017

(₹)

Particulars	Note No.	As on 31st March 2017	As on 31st March 2016
EQUITY AND LIABILITIES			
Shareholders' Funds			
(a) Share Capital	3	750,000,000	500,000,000
(b) Reserves & Surplus	4	131,665,606	68,678,257
		881,665,606	568,678,257
Non current Liabilities			
(a) Long Term Borrowings	5	2,053,472,222	-
(b) Deferred Tax Liability (net)	7	3,430,171	18,395
(c) Long Term Provision	8	17,709,683	1,334,101
		2,074,612,076	1,352,496
Current liabilities			
(a) Short Term Borrowings	6	27,603,015	-
(b) Current Maturities of Long Term Borrowings	5	96,527,778	-
(c) Trade Payables & Other Current Liabilities	9	1,422,356,714	2,064,941
(d) Short Term Provision	10	3,073,545	-
		1,549,561,052	2,064,941
TOTAL		**4,505,838,734**	**572,095,694**
ASSETS			
Non Current Assets			
(a) Fixed Assets	11		
i. Tangible Assets		19,528,544	145,484
ii. Intangible Assets		7,729,022	120,669
iii.Capital Work-in-progress		34,095	18,250,837
(b) Long-Term Loans & Advances	12	4,333,217,323	312,441,285
		4,360,508,984	330,958,275
Current Assets			
(a) Current Investments	13	-	175,254,245
(b) Cash and Bank Balances	14	57,773,429	47,142,429
(c) Short -Term Loans & Advances	12	82,141,278	13,254,685
(d) Other Current Assets	15	5,415,043	5,486,060
		145,329,750	241,137,418
TOTAL		**4,505,838,734**	**572,095,694**

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)

George Alexander Muthoot
Director

Eapen Alexander Muthoot
Whole time Director

R Sreenivasan
Partner
M. No. 020566

Ramratthinam S
Chief Executive Officer

Ashish Ranka
Chief Financial Officer

Jinu Mathen
Company Secretary

Date: 12.05.2017

Statement of Profit & Loss

for the year ended 31st March 2017

(₹)

Particulars	Note No.	Year ended 31st March 2017	Year ended 31st March 2016
INCOME			
Revenue from Operations	16	234,916,892	13,497,105
Other Income	17	6,736,629	5,831,779
TOTAL		**241,653,521**	**19,328,884**
EXPENSES			
Employee benefits expense	18	71,086,754	7,617,282
Finance Cost	19	40,393,111	-
Depreciation and amortization expense	11	12,042,402	39,619
Provisions & write offs	20	16,373,930	1,191,977
Other Expenses	21	48,888,604	9,750,522
TOTAL		**188,784,801**	**18,599,400**
Profit before Tax		52,868,720	729,484
Current Tax		20,719,595	578,907
Deferred Tax		3,411,776	14,825
Profit for the year		**28,737,349**	**135,752**
Earnings per equity share:	25		
Basic		0.45	0.01
Diluted		0.45	0.01

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)

George Alexander Muthoot
Director

Eapen Alexander Muthoot
Whole time Director

R Sreenivasan
Partner
M. No. 020566

Ramratthinam S
Chief Executive Officer

Ashish Ranka
Chief Financial Officer

Jinu Mathen
Company Secretary

Date: 12.05.2017

Cash Flow Statement

for the year ended 31st March 2017

(₹)

	Particulars	Year ended 31st March 2017	Year ended 31st March 2016
A	**Cash Flow From Operating Activities**		
	Net Profit Before Taxation	52,868,720	729,484
	Adjustments for:-		
	Add: Depreciation and amortisation	12,042,402	39,619
	Add: Provision for Standard Assets	16,373,930	1,191,977
	Add: Provision for Gratuity	302,226	74,588
	Less: Profit on Sale of Investments	(5,671,217)	(254,245)
	Less: Interest received on Bank Deposits	(26,411)	(3,152,300)
	Operating profit before working capital changes	**75,889,650**	**(1,370,877)**
	Adjustments for:-		
	(Increase)/ Decrease in Trade Receivables	-	7,716
	(Increase)/ Decrease in Loans & advances	(4,089,662,632)	(304,069,589)
	Increase/ (Decrease) in Other current assets	(20,648,578)	(2,923,911)
	Increase/ (Decrease) in Current liabilities	1,471,698,259	729,889
	Cash generated from Operations	**(2,562,723,301)**	**(307,626,772)**
	Income Taxes paid	48,633,515	1,898,700
	Net cash from Operating activities	**(2,611,356,816)**	**(309,525,472)**
B	**Cash Flow From Investing Activities**		
	Investments in Mutual Funds	-	(240,000,000)
	Purchase of Fixed Assets	(39,033,815)	(240,650)
	(Increase) / Decrease in Capital Work in Progress	18,216,742	(18,466,783)
	Sale of Investments	180,925,462	65,000,000
	Interest Received on Bank Deposit	26,411	4,870,033
	Net Cash from Investing Activities	**160,134,800**	**(188,837,400)**
C	**Cash From Financing Activities**		
	Proceeds from issue of Share Capital	250,000,000	395,000,000
	Proceeds from issue of Share Capital (securities premium)	34,250,000	54,115,000
	Proceeds from Bank Borrowings	2,177,603,015	-
	(Increase)/ Decrease in bank deposits held for greater than 3 months	-	11,407,590
	Net cash flow from Financing Activities	**2,461,853,015**	**460,522,590**

Cash Flow Statement

for the year ended 31st March 2017

(₹)

Particulars	Year ended 31st March 2017	Year ended 31st March 2016
Net increase in cash & cash equivalents	**10,630,999**	**(37,840,282)**
Cash & cash equivalents at the beginning of the year	47,142,429	84,982,711
Cash And Cash Equivalent At The End of The Year	**57,773,428**	**47,142,429**
Components of Cash and Cash Equivalents at the end of the year		
Current Account with Banks	55,787,930	45,734,330
Deposit with Banks	-	-
Cash on Hand	1,985,499	1,408,099
	57,773,429	**47,142,429**

Notes:

1) The above cash flow statement have been prepared under the indirect method set out in Accounting Standard (AS)-3, 'Cash Flow Statement', in compliance with the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.
2) All figures in brackets indicate outflow.
3) The cash flows from operating, investing and financing activities are segregated.

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)

George Alexander Muthoot
Director

Eapen Alexander Muthoot
Whole time Director

R Sreenivasan
Partner
M. No. 020566

Ramratthinam S
Chief Executive Officer

Ashish Ranka
Chief Financial Officer

Jinu Mathen
Company Secretary

Date: 12.05.2017

Notes to Accounts

for the year ended 31st March 2017

1 COMPANY BACKGROUND

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 disbursal 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.

Notes to Accounts

for the year ended 31st March 2017

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 to Accounts

for the year ended 31st March 2017

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 31.03.2017	As on 31.03.2016
Authorised 10,00,00,000 Equity Shares of ₹ 10/- each (Previous Year: 5,00,00,000 Equity Shares of ₹ 10/- each)	1,000,000,000	500,000,000
Issued, Subscribed & Paid up 7,50,00,000 Equity Shares of ₹ 10/- each (Previous Year: 5,00,00,000 Equity Shares of ₹ 10/- each)	750,000,000	500,000,000

3.2 Terms and Rights attached to Equity Shares

a) The Company has only one class of equity shares having par value of ₹ 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, 2017 and March 31, 2016 is set out below:

(₹)

Particulars	Equity Shares As on 31.03.2017		Equity Shares As on 31.03.2016	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	50000000	500,000,000	10500000	105,000,000
Shares issued during the year	25000000	250,000,000	39500000	395,000,000
Shares outstanding at the end of the year	75000000	750,000,000	50000000	500,000,000

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

Sl. No.	Particulars	As on 31.03.2017		As on 31.03.2016	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
1	M.G.George Muthoot	1600000	2.13%	1600000	3.20%
2	George Thomas Muthoot	1600000	2.13%	1600000	3.20%
3	George Jacob Muthoot	1600000	2.13%	1600000	3.20%
4	George Alexander Muthoot	1600000	2.13%	1600000	3.20%
5	Sara George	600000	0.80%	600000	1.20%
6	Susan Thomas	600000	0.80%	600000	1.20%
7	Elizabeth Jacob	600000	0.80%	600000	1.20%
8	Anna Alexander	600000	0.80%	600000	1.20%
9	Muthoot Vehicle & Assets Finance Ltd.	-	-	1700000	3.40%
10	Muthoot Finance Ltd.	66200000	88.27%	39500000	79.00%

3.5 During the year the Company has allotted 2,50,00,000 Equity Shares of face value of ₹ 10/- each at premium of ₹ 1.37/- per share for an aggregate amount of ₹ 28,42,50,000 to Muthoot Finance Limited by way of Rights Issue

3.6 As at March 31, 2017 the holding company Muthoot Finance Limited holds 88.27 % equity share capital of the company.

Notes to Accounts

for the year ended 31st March 2017

4 RESERVES AND SURPLUS

(₹)

Particulars	As on 31.03.2017	As on 31.03.2016
a. Special Reserve U/s. 29 C of NHB Act, 1987 (Refer Note 4.1)		
Balance at the beginning of the year	1,049,744	1,022,593
Add:- Transfer from current year profit	14,243,768	27,151
Less:- Appropriation during the year	-	-
	15,293,512	**1,049,744**
b. Securities Premium Account		
Balance at the beginning of the year	54,115,000	-
Add : -Securities Premium on additional issue of Equity shares	34,250,000	54,115,000
Less:- Appropriation during the year		
	88,365,000	**54,115,000**
b. Surplus/(Deficit) in the Statement of Profit and Loss		
Balance at the beginning of the year	13,513,513	13,404,912
Add:- Net Profit for the year	28,737,349	135,753
Less:- Transfer to Special Reserve U/s. 29 C of NHB Act ,1987	14,243,768	27,151
	28,007,094	**13,513,513**
Closing Balance	**131,665,606**	**68,678,257**

Notes to Accounts

for the year ended 31st March 2017

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 31.03.2017	As on 31.03.2016
Balance at the beginning of the year		
a) Statutory reserve u/s 29C of the National Housing Bank Act, 1987	1,049,744	1,022,593
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	**1,049,744**	**1,022,593**
Addition/ Appropriation/ Withdrawal during the year		
Add:		
a) Amount transferred u/s 29C of the NHB Act, 1987	10,573,744	27,151
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 in addition to (a) above	3,670,024	-
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	11,623,488	1,049,744
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	3,670,024	-
c) **Total**	**15,293,512**	**1,049,744**

5 Long-term borrowings

(₹)

	As on 31.03.2017		As on 31.03.2016	
Secured	**Non Current**	**Current**	**Non Current**	**Current**
Term Loan from Banks (Secured by paripassu floating charge on housing loan receivables, credit and current assets of the Company)(Terms of Repayment: ₹ 96,527,778 repayable during FY 17-18 in quarterly / half yearly installments & ₹ 2,0534,72,222 after FY 17-18 repayable in quarterly / half yearly installments, Rate of Interest: 8.75% - 9.70%)	2,053,472,222	96,527,778	–	–
Total	**2,053,472,222**	**96,527,778**	**–**	**–**

Notes to Accounts

for the year ended 31st March 2017

6 Short-term borrowings

(₹)

	As on 31.03.2017	As on 31.03.2016
Secured		
Cash Credit from Banks (paripassu charge on the receivables of the company)	27,603,015	–
Total	**27,603,015**	–

7 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 Asset:			
Timing Difference on account of :			
Depreciation and Amortization	(18,395)	1,297,214	1,278,819
Special Reserve as per Section 36 (i)(viii) of the Income Tax			
Act, 1961		(4,708,990)	(4,708,990)
Net Deferred Tax Liability	**(18,395)**	**(3,411,776)**	**(3,430,171)**

8 LONG TERM PROVISIONS

(₹)

Particulars	As on 31.03.2017	As on 31.03.2016
Provision for Gratuity	376,814	74,588
Provision for Standard Assets	17,332,869	1,259,513
Total	**17,709,683**	**1,334,101**

9 TRADE PAYABLES & OTHER CURRENT LIABILITIES

(₹)

Particulars	As on 31.03.2017	As on 31.03.2016
a) Audit fee payable	44,750	57,250
b) Expenses Payable	15,976,321	932,009
c) Sundry creditors	4,683,727	331,753
d) TDS Payable	1,577,559	366,302
e) P F Payable	427,313	121,809
f) Service Tax Payable	-	255,818
g) Advance EMI	3,637,700	-
h) Salary Payable	5,642,123	-
i) Interest Payable	2,091,058	
j) Book overdraft	1,388,258,769	-
k) Profession Tax Payable	17,394	-
Total	**1,422,356,714**	**2,064,941**

Notes to Accounts

for the year ended 31st March 2017

10 SHORT TERM PROVISIONS

(₹)

Particulars	As on 31.03.2017	As on 31.03.2016
Provision for Income tax (Net of Advance Tax and TDS: Rs. 18,829,616)	2,772,971	–
Provision for Standard Assets	300,574.00	
Total	**3,073,545**	–

10.1 MOVEMENT OF PROVISION FOR STANDARD AND NON-PERFORMING ASSETS

(₹)

Particulars	As on 31.03.2017	As on 31.03.2016
Provision for Standard Assets		
Standard Assets	4,408,360,773	314,878,305
Provision at the beginning of the year	1,259,513	67,536
Additional provision made / Reversed during the year	16,373,930	1,191,977
Provision at the close of the year	**17,633,443**	**1,259,513**

Notes to Accounts

for the year ended 31st March 2017

11 FIXED ASSETS AS ON 31.03.2017

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
NAME OF ASSET	**As at 01.04.2016**	**Additions**	**Deductions**	**As at 31.03.2017**	**As at 31.03.2016**	**for the year**	**Deductions during the year**	**As at 31.03.2017**	**As at 31.03.2017**	**As at 31.03.2016**
Tangible Assets										
Building	15,252	3,292,627	-	3,307,879	3,643	661,078	-	664,721	2,643,158	11,609
Furniture & Fixtures	-	11,459,587	-	11,459,587	-	2,767,541	-	2,767,541	8,692,046	-
Leasehold Improvements	170,500	7,745,457	-	7,915,957	36,625	2,187,023	-	2,223,648	5,692,309	133,875
Computer	-	3,485,386	-	3,485,386	-	1,364,069	-	1,364,069	2,121,317	-
Office Equipment	-	484,933	-	484,933	-	105,219	-	105,219	379,714	-
Servers and Networks		-								
		-								
Intangible Assets	-	12,565,825	-	12,565,825	-	4,903,087	-	4,903,087	7,662,738	-
Software	140,850	-	-	140,850	20,181	54,385	-	74,566	66,284	120,669
Website Development										
Total	**326,602**	**39,033,815**	**-**	**39,360,417**	**60,449**	**12,042,402**	-	**12,102,851**	**27,257,566**	**266,153**
Previous Year	**85,952**	**240,650**	-	**326,602**	**20,830**	**39,619**	-	**60,449**	**266,153**	**65,122**

Notes to Accounts

for the year ended 31st March 2017

12 LOANS & ADVANCES

(₹)

Secured	As on 31.03.2017 Non Current	As on 31.03.2017 Current	As on 31.03.2016 Non Current	As on 31.03.2016 Current
Secured, considered good				
Housing Loans (Refer Note - 22)				
Standard Loans	4,333,217,323	75,143,450	306,815,085	8,063,220
Sub-standard loans		–	–	–
Doubtful loans		–	–	–
Loss assets		–	–	–
Less: Securitized Housing Loans & Funded by Syndicate		–	–	–
Capital Advances				
Advance for Software & website	–		5,626,200	–
Other Advances		6,997,828	–	5,191,465
Total	**4,333,217,323**	**75,143,450**	**312,441,285**	**13,254,685**

13 CURRENT INVESTMENTS

(₹)

Particulars	As on 31.03.2017	As on 31.03.2016
Investments in UTI Mutual Fund	–	175,254,245
(Quoted mutual fund units of UTI at lower of Cost or Market price)		
Total	–	**175,254,245**

14 CASH AND BANK BALANCES

(₹)

Particulars	As on 31.03.2017	As on 31.03.2016
I. Cash and Cash Equivalents	1,985,499	1,408,099
a. Cash on hand		
b. Balance with banks	55,787,930	45,734,330
Current Accounts	-	-
Fixed Deposits (Maturing within a period of 3 months)		
II. Other Bank balances		
Other Fixed Deposits	-	-
Total	**57,773,429**	**47,142,429**
Fixed Deposits having maturity more than 12 months	-	-

15 OTHER CURRENT ASSETS

(₹)

Particulars	As on 31.03.2017	As on 31.03.2016
Advance Tax & TDS (Net of Provision for Income Tax)	-	2,562,149
Instalments / interest due from customers (secured)	3,184,577	-
Prepaid Expenses	1,020,498	415,911
Service Income Receivable	-	2,508,000
Service Tax Credit	1,209,968	-
Total	**5,415,043**	**5,486,060**

Notes to Accounts

for the year ended 31st March 2017

16 REVENUE FROM OPERATIONS

(₹)

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
Interest on Housing loans	151,362,753	10,986,796
Processing Fee	83,227,172	2,343,338
Other Operating income	326,967	166,971
Total	**234,916,892**	**13,497,105**

17 OTHER INCOME

(₹)

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
Interest on Bank Deposit	26,411	3,152,300
Profit on sale of Investments	5,671,217	254,245
Service Income	-	2,400,000
Other Non-Operating Income	1,039,001	25,234
Total	**6,736,629**	**5,831,779**

18 EMPLOYEE BENEFIT EXPENSES

(₹)

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
Salaries and Allowances	63,435,430	7,432,393
Contribution to Provident & Other Funds	1,632,507	63,254
Staff welfare expenses	6,018,817	121,635
Total	**71,086,754**	**7,617,282**

19 FINANCE COST

(₹)

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
Interest Expense	35,451,386	-
Other Borrowing Costs	4,941,725	-
Total	**40,393,111**	-

20 PROVISIONS & WRITE OFFS

(₹)

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
Provision for Standard Assets	16,373,930	1,191,977
Total	**16,373,930**	**1,191,977**

Notes to Accounts

for the year ended 31st March 2017

21 OTHER EXPENSES

(₹)

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
Audit Fee	100,250	57,250
Printing & Stationery	2,487,986	89,026
Credit Rating Fee	503,800	-
Travelling & Conveyance	3,328,423	385,746
Business Promotion Expenses	164,947	402,461
Repairs & Maintenance	2,986,271	1,042,880
Bank charges	103,586	30,593
Legal & Professional charges	15,409,012	663,351
Rates & Taxes	-	2,925,050
Rent paid	11,989,694	2,473,200
Advertisement	1,270,655	1,047,509
Commission paid	2,266,684	32,000
Credit Verification Charges	3,854,848	33,043
Electricity Charges	1,041,709	65,936
Franking & Stamp Paper Charges	52,660	40,500
Vehicle Maintenance Expenses	65,564	152,670
General Office Expenses	284,573	134,236
House Keeping Charges	545,348	71,385
Newspaper & Subscription	18,462	1,496
Postage , Telegram & Telephone	2,414,132	74,955
Security charges	-	27,235
Total	**48,888,604**	**9,750,522**

22 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	4,408,360,773	-	-	-	4,408,360,773
(Previous Year)	(314,878,305)	-	-	-	(314,878,305)
Provisions made	17,332,869	-	-	-	17,332,869
(Previous Year)	(1,259,513)	-	-	-	(1,259,513)

Notes to Accounts

for the year ended 31st March 2017

23 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	Year ended 31.03.2017	Year ended 31.03.2016
i	CRAR (%)	36.60 %	225.96%
ii	CRAR – Tier I Capital (%)	36.60 %	225.96%
iii	CRAR – Tier II Capital (%)	-	-

II Exposure to Real Estate Sector

(₹)

	Category	As on 31.03.2017	As on 31.03.2016
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	2,747,930,703	47,848,156
	Individual housing loans above 15 Lakhs	1,660,430,070	267,030,149
(ii)	Commercial Real Estate -		
	Lending secured by mortgages on commercial real estates.	NIL	NIL
	Exposure would also include non-fund based (NFB) limits	NIL	NIL
(iii)	Investments in Mortgage Backed Securities (MBS) and	NIL	NIL
	other securitized exposures -	NIL	NIL
	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)		

Notes to Accounts

for the year ended 31st March 2017

III Asset Liability Management:
Maturity pattern of certain items assets and liabilities

(₹)

For the year ended 31st March, 2017 *	Liabilities		Assets	
	Borrowings from Banks	Market Borrowings	Advances	Investments
1day to 14 days	27,603,015	-	5,910,367	-
15 days to one month	-	-	-	-
Over one month to 2 months	-	-	5,972,070	-
Over 2 months upto 3 months	-	-	6,034,422	-
Over 3 months to 6 months	14,814,815	-	18,483,994	-
Over 6 month s to 1 year	81,712,963	-	38,742,597	-
Over 1 year to 3 years	868,385,180	-	181,135,588	-
Over 3 to 5 years	732,968,519	-	230,196,939	-
Over 5 to 7 years	452,118,523	-	288,628,781	-
Over 7 to 10 years	-	-	566,167,476	-
Over 10 years	-	-	2,412,335,186	-
Total	**2,177,603,015**	-	**3,753,607,420**	-

Maturity pattern of certain items assets and liabilities

(₹)

For the year ended 31st March, 2016 *	Liabilities		Assets	
	Borrowings from Banks	Market Borrowings	Advances	Investments
1day to 14 days	-	-	652,751	-
15 days to one month	-	-	-	-
Over one month to 2 months	-	-	658,230	-
Over 2 months upto 3 months	-	-	663,755	-
Over 3 months to 6 months	-	-	2,024,870	-
Over 6 months to 1 year	-	-	4,205,309	-
Over 1 year to 3 years	-	-	18,939,186	-
Over 3 to 5 years	-	-	22,440,822	-
Over 5 to 7 years	-	-	25,482,999	-
Over 7 to 10 years	-	-	45,797,653	-
Over 10 years	-	-	144,528,554	-
Total	-	-	**265,394,129**	-

* 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 ₹654,753,353 (Previous Year: ₹49,484,176) as on balance sheet date.

Notes to Accounts

for the year ended 31st March 2017

24 EMPLOYMENT BENEFITS

Gratuity Plan

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

(₹)

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
A) Reconciliation of opening and closing balance of defined		
benefit obligation		
Defined benefit obligation at the beginning of the year	74,588	-
Interest Cost	5,520	-
Current Service Cost	317,067	65,252
Benefits paid	-	-
Past Service Cost		9,336
Actuarial Loss/ (Gain)	(20,361)	-
Defined benefit obligation at the end of the year	376,814	74,588
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	-	-
Interest Cost	317,067	65,252
Expected Return on Plan Assets	5,520	-
Past Service Cost	-	-
Actuarial Loss/ (Gain)	-	9,336
Employer Expense		-
D) Investment details	(20,361)	74,588
Insurer managed funds		
E) Experience adjustment	302,226	-
Defined Benefit Obligation	-	74,588
Fair Value of Plan Assets	376,814	-
Surplus/ (Deficit)	-	(74,588)
On Plan Liability (Gain)/Losses	(376,814)	-
On Plan Assets (Losses)/Gain	(29,241)	-
F) Actuarial assumptions		
Discount rate	7.4% p.a	7.4% p.a
Salary Escalation	7% p.a	7% p.a
Withdrawal/ Attrition Rate	15% p.a.	15% p.a.
Rate of return on plan assets	NA	NA
Mortality Rate	IALM 2006-08 (Ult.)	IALM 2006-08 (Ult.)
Expected average remaining working life	4.5 years	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.

Notes to Accounts

for the year ended 31st March 2017

(₹)

Particulars	31.03.2017
Defined benefit obligation	376,814
Plan Assets	-
Surplus / (Deficit)	(376,814)
Experience adjustments on plan Liabilities - (Gains) / Losses	(29,241)
Experience adjustments on plan Assets - (Losses) / Gains	-

25 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 on 31.03.2017	As on 31.03.2016
Net Profit / (Net Loss) after taxation for the year	28,737,349	135,752
Weighted Average Number of Equity Shares outstanding during the year	64178082	13746575
Adjusted Face Value Per Share	₹ 10	₹ 10
Earnings Per Share	**0.45**	**0.01**

26 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: ₹ 36,00,65,229 (Previous Year: ₹ 1,59,32,677)

27 AUDITOR'S REMUNERATION

(₹)

Particulars	2016-17	2015-16
Statutory Audit	40,000.00	45,800.00
Tax Audit	10,000.00	11,450.00
Other Services	50,250.00	-
Total	**100,250.00**	**57,250.00**

28 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, 2017 together with interest paid/payable are required to be furnished.

29 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

30 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 Muthoot
Holding Company	Muthoot Finance Limited

Notes to Accounts

for the year ended 31st March 2017

(b) Transactions with Related Parties during the period ended 31.03.2017:-

(₹)

Nature of transaction	Key Management Personnel	
	2016-17	2015-16
Directors Loan accepted	300,000,000	170,000,000
Directors Loan repaid	300,000,000	170,000,000
Interest paid to Directors	1,063,123	-
Remuneration to directors	1,200,000	900,000
ICD taken from Muthoot Finance Ltd	440,000,000	-
ICD repaid to Muthoot Finance Ltd	440,000,000	-
Interest on ICD paid to Muthoot Finance Ltd	1,535,342	-
Rent paid to Muthoot Finance Ltd	1,858,000	-

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

(₹)

Particulars	Key Management Personnel	
	2016-17	2015-16
Directors Loan	-	674,798

31 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.

32 Statement for Disclosure on details of the specified bank notes as prescribed by Ministry of Corporate Affairs vide its notification dated April 30, 2017:

(₹)

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	1,374,000	1,485	1,375,485
(+) Permitted receipts		835,041	835,041
(-) Permitted payments			
(-) Amount deposited in Banks	1,374,000	831,012	2,205,012
Closing cash in hand as on 30.12.2016	-	**5,514**	**5,514**

Notes

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Corporate Information

Board of Directors

Mr. M. G. George Muthoot	-	Director
Mr George Alexander Muthoot	-	Director
Mr. George Thomas Muthoot	-	Director
Mr. Eapen Alexander Muthoot	-	Whole Time Director
Mr. K. R. Bijimon	-	Director
Mr. K. George John	-	Independent Director
Mr. Jose Kurian	-	Independent Director

Key Managerial Personnel

Mr. Ramratthinam S	-	Chief Executive Officer
Mr. Ashish Ranka	-	Chief Financial Officer
Mrs. Jinu Mathen	-	Company Secretary

Bankers

Federal Bank Limited
HDFC Bank Limited
IDBI Bank Limited
Syndicate Bank
Canara Bank
Yes Bank Limited

Statutory Auditors

Rangamani& Co, Chartered Accountants
17 / 598, 11nd Floor,
Card Bank Building
West of YMCA Bridge
V.C.S.B. Road,
Alleppey - 688001

Registered Office

Muthoot Chambers
Kurian Towers
Opposite Saritha Theatre Complex
Banerji Road, Kochi
Ernakulam – 682 018

Corporate Office

1201 & 1202, A Wing
Lotus Corporate Park
Off. Western Express Highway
Goregaon East
Mumbai 400063

CIN: U65922KL2011PLC029231

Muthoot Homefin (India) Limited
1201 & 1202, A Wing, Lotus Corporate Park, Off. Western Express Highway, Goregaon East, Mumbai 400063
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