



PAPPACHAN  
**muthoot**  
**FINCORP**

*Jab zindagi badalni ho*

# CHARTING A NEW COURSE



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ANNUAL REPORT 2014-15

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## **Muthoot Pappachan**

**(1927 - 2004)**

**Founder Chairman**

His vision, enterprise, simplicity  
and humaneness will forever guide us.





## **VISION**

To be The Most Trusted Financial Service Provider  
at the Doorstep of the Common Man,  
Satisfying him Immediately with  
Easy and Simple Products.





## CONTENTS

## Page No:

Corporate Information	9
From the Chairman & Managing Director	13
Message from the Executive Director	19
Notice	21
Directors' Report	22

## FINANCIAL STATEMENTS

### ***Standalone***

Independent Auditor's Report	68
Balance Sheet	73
Statement of Profit & Loss	74
Statement of Cash Flow	75
Significant Accounting Policies and Notes to Standalone financial statements	76
Annexure required under Paragraph 13 of the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 2007	98

### ***Consolidated***

Independent Auditor's Report	107
Consolidated Balance Sheet	113
Consolidated Statement of Profit & Loss	114
Statement of Consolidated Cash Flow	115
Significant Accounting Policies and Notes to Consolidated financial statements	116
Statement regarding Subsidiary Companies pursuant to Section 129 of the Companies Act, 2013	139

## ENCLOSURES

Corporate Social Responsibility (CSR)	140
Attendance Slip and Proxy Form	149







# Corporate Information

## — Board of Directors —

**Mr. Thomas John Muthoot**  
**Chairman & Managing Director**



**Mr. Thomas George Muthoot**  
**Director**



**Ms. Janamma Thomas**  
**Director**



**Mr. Thomas Muthoot**  
**Executive Director &  
Chief Financial Officer**



**Mr. R. Kamalasanan Nair**  
**Director**



**Mr. A.P Kurian**  
**Director**



**Mr. A. Vikraman**  
**Director**



## CORPORATE INFORMATION

### Board of Directors

#### Chairman and Managing Director

Mr. Thomas John Muthoot

### Directors

Mr. Thomas George Muthoot

Mr. Thomas Muthoot

Ms. Janamma Thomas

Mr. R. Kamalasanan Nair

Mr. A.P Kurian

Mr. A. Vikraman

### Company Secretary and Vice President-Corporate Affairs

Mr. T. D. Mathai

### Chief Financial Officer

Mr. Thomas Muthoot

### Statutory Auditors

M/s. A. Cherian and Associates

Chartered Accountants

### Secretarial Auditors

M/s. SVJS & Associates

Company Secretaries

### Internal Auditors

M/s. Krishna, Retna and Associates

Chartered Accountants

M/s. Giri Raj R & Associates

Chartered Accountants

### Solicitors and Advocates

Dandapani Associates

### Legal Advisor

Mr. C. M Stephen

### Senior Management

Mr. George Lamannil	- Executive Director & General Counsel
Mr. S Kannan	- Executive Vice President
Mr. P. Padmakumar	- Head - Industrial Relations & Disciplinary Action
Mr. Krishnan Nilakantan	- Chief Information Officer
Mr. Joseph Oommen	- Vice President- Finance & Accounts
Mr. N.S Bose	- Vice President and Head - Operations
Mr. A.V Koshy	- Vice President - Risk Management
Mr. Kamal Mampilly	- Vice President - HR
Mr. ASP Rao	- Vice President - Administration & Infrastructure
Ms. Deepa Nair	- Vice President - Customer Acquisition and Experience
Mr. R. Nadasabapathy	- Vice President - Resource Planning
Mr. Thomas Kurian	- Vice President - Security
Ms. Devika R	- Vice President - Organisational Development
Mr. Jayakrishnan	- Associate Vice President - IT
Dr. Prasanthkumar Nellickal	- Senior Manager - Corporate Social Responsibility
Mr. Abraham Koshy	- Group Security Advisor
Ms. Shiney Thomas	- Executive Secretary



#### Debenture Trustees

IL & FS Trust Company Ltd.  
The IL&FS Financial Centre,  
Plot C- 22, G Block,  
Bandra Kurla Complex,  
Bandra(E), Mumbai 400051

SBICAP Trustee Company Limited  
Apeejay House, 6th Floor,  
3, Dinshaw Wachha Road,  
Churchgate, Mumbai - 400 020

CA G Mohan Kumar, FCA  
and  
CA M. Unnikrishnan, ACA,  
Revathi, TC 2/1756, GRA 717,  
Gowreesapattom, Trivandrum - 695 004

#### Registrar & Transfer Agent

Integrated Enterprises (India) Limited  
II<sup>nd</sup> Floor, Kences Towers, No: 1, Ramakrishna Street,  
North Usman Road, T Nagar, Chennai - 600017

#### Bankers

State Bank of India  
The South Indian Bank Ltd  
HDFC Bank Limited  
Axis Bank Limited  
ICICI Bank Limited  
Kotak Mahindra Bank Limited  
The Federal Bank Ltd  
City Union Bank Limited  
IDBI Bank Limited  
State Bank of Mysore  
Dena Bank  
Andhra Bank

Dhanlaxmi Bank Ltd  
IndusInd Bank Limited  
Punjab National Bank  
Karnataka Bank Limited  
Central Bank of India  
Union Bank of India  
Indian Overseas Bank  
State Bank of Travancore  
The Jammu & Kashmir Bank Limited  
SICOM Limited  
State Bank of Patiala

The Catholic Syrian Bank Ltd  
Vijaya Bank  
Bank of India  
Oriental Bank of Commerce  
Corporation Bank  
Canara Bank  
Allahabad Bank  
Lekshmi Vilas Bank  
State Bank of Hyderabad  
Karur Vysya Bank  
Bank of Maharashtra

#### Registered Office

Muthoot Centre, Punnen Road,  
Thiruvananthapuram - 695 039  
Ph: + 91 471 2331427 / 3911400  
Fax: + 91 471 2331560  
Email: muthoot@muthoot.com  
Website: www.muthoot.com





## Message from the Chairman and Managing Director

**Mr. Thomas John Muthoot**  
Chairman & Managing Director



### From the Chairman and Managing Director

During the Financial Year 2014-'15, I am happy to inform, your Company not only displayed its resilience to the challenges in the daunting macro-economic environment in the Indian economy but also sustained its performance in these challenging times. With the help of well crafted and successfully implemented business model, the Company clocked the 16,60,330 lakhs mark of business during the year by aggressively pursuing its marketing strategies and capabilities across all the verticals and using technology to its advantage.

#### Macro-Economic Environment – FY 2014-'15

During the year 2014-'15, global and domestic outlook remained highly volatile and uncertain. The weak global growth and continuing uncertainties in the international financial markets have had their pronounced impact on emerging market economies like India. Besides, risk emanating from weakness in Euro zone, Japan and Greece, slowdown in China, geopolitical risks

surrounding oil prices and the uneven effects of movement in Currency and commodity price continued to pose risk to global recovery process.

Amidst the above global trend, domestic economy also witnessed slowdown due to slump in industrial and manufacturing Sectors. The index of industrial production which witnessed better growth in the first quarter of the FY 2014-'15, slumped thereafter as structural constraints led to persistent decline in the production of core industries, such as steel, natural gas and fertilizers. Also, capital goods production was marked by volatility due to stalled investments, risk aversion and weak demand. The consumer goods production was also affected by lower rural incomes and significant deceleration in corporate sales growth. The growth of the Service Sector also remained mixed. The macro-economic environment remained weak during the year 2014-'15 with agriculture being affected adversely due to deficit and unseasonal rains. Amidst the weak operating economy, the deposit and credit





growth of Scheduled Commercial Banks remained lacklustre throughout the year. The Banking Industry continued to face strong headwinds in the form of slow growth in credit off-take, higher interest rate, thinning of profit margin and rising NPAs. The Asset quality became the major concern of the Banking Sector in view of the worsened repayment capacity of the borrowers.

The NBFC Sector has been gaining growing importance in recent years and the share of NBFC has steadily grown from 10.7% of banking assets in 2009 to 14.3% of banking assets in 2014. The rising importance of NBFCs and their growing interrelatedness with Banks as well as issues like risk - management framework for the Sector, regulatory gaps and arbitrages, compliance and governance issues have led to the Reserve Bank of India making certain regulatory changes by releasing on November 10, 2014 the "Revised Regulatory Framework for NBFCs" focussing more on safeguarding of the investors' money and regulating NBFCs which have increased their asset-size over a period and gained systemic importance. Due to subdued economic growth, the last two years have been a challenging period for the NBFCs with moderate asset growth rate and rising delinquencies resulting in higher provisioning, thereby impacting profitability.

Despite all these challenges, it is gratifying that your Company has again delivered good financials during the FY 2014-'15 by constantly focussing on Customer satisfaction, product innovation, technology upgradation and following niche segment related strategies.

#### Financial Snapshot: Performance Highlight of the year 2014-'15

- Gross Revenue recorded Rs 6354.82 lakhs, an increase of 3.22%.
- Post-tax Profit registered Rs 8377.09 lakhs, recording an increase of 32.41%.
- Earning per Share for the year increased by 32.45% from Rs 3.39 of last year.
- Income from Retail Loan registered decrease of 4.97% to Rs 1,59,177.95 lakhs from Rs 1,67,500.75 lakhs in the previous year.

This satisfactory onward march of the Company led by its own examples of sound management, mirroring high standards of corporate integrity textured into its value system, and continuously exploring opportunities for growth and excellence, demonstrates its missionary zeal and deep sense of commitment to achieve goals.

#### New Product Development

Your Company believes in innovation and perceives that development of new products and services as well as improvement in the existing ones in tune with the Customers' requirements is inevitable to maintain margins and market share. To keep up with this trend of innovation, your Company has envisaged and launched various new products during the year 2014-'15.

Your Company had introduced Gold Loan products with variants of Interest rate-LTV combination, which was able to attract price conscious Customers from all market segments. This product introduced towards the end of previous year, took off well in 2014-'15 and is holding a noticeable AUM now.

In 2014-'15 the Company introduced, after assessing the market trends, two more products, namely, **Muthoot Special Gold Loan** and **Special 16** with many added features. Through this initiative the Company could not only retain many high ticket Customers but also acquire many new Customers.

Your Company has stepped into non-gold collateralized business loans also in FY 2014-15. These business loans fall under **Neighbourhood Loans** of smaller tickets as well as high value Secured Business Loans which are fully secured by business assets as well as collaterals. These products with their unique features have been widely accepted by the micro and small business segments across the Country within a short span of time.



## IT Structure

Your Company has been using Information technology not only to improve its own internal process but also to increase facilities and services for its Customers. Quite a few initiatives have been taken during the year for harnessing the full potential of its IT Structure.

Integrated Loan Management system which offers a unified system for major loan products, facilitating 360 degree view of the Customer (and his engagement with the Organization) is in advanced stage of implementation. Enterprise Resource Planning solution is being implemented to capture financial transactions online, real-time ensuring effective monitoring and control in Head Office and across the Branches. Integrated IT infrastructure is being created with safe, secure, committed and always available connectivity to Branches using MPLS/IPSEC with fall back on broadband and data card. The servers are being hosted in a state of the art tier-3 compliant Data Centre. In addition, innovative initiatives have been launched in Cloud (for Branch data storage and unified visibility of transactions in the Branches), mobility (Management Information system, Collection etc) and Analytics (Customer profiling)

## HR Initiatives – Defining Human Resources Development Road Map

With the strong conviction that its human resources are its greatest assets and perceiving human resources development as a philosophy and not as a strategy, your Company practices human resources development programmes on a continuous, conscious basis and has adopted a very pragmatic and balanced people strategy to create a composite and responsible Human Resources that can drive growth and successfully meet the various challenges of the current times.

## Corporate Governance

Your Company is committed to sound Corporate Governance practices, grounded on the bedrock of highest levels of accountability, transparency and integrity in all spheres of its operations and in all its dealings with stake holders–viz.,the Shareholders, Employees, Customers and Bankers – and high ethical standards in the conduct of business. The Company is firm in its commitment to promoting best Corporate Governance practices and strives to live upto Shareholders’ expectations. The thrust of the Corporate Governance of the Company is to enhance Shareholder value and enhancing as also maintaining the wealth of the Company by pursuing ethical practices in the conduct of its business and maintaining high standards of disclosure and transparency.

## Innovative Initiatives: Creating Models in CSR

Weaving the deeply held core values of Muthoot Pappachan Group – Integrity, honesty, responsibility, professionalism and ethical business practices – into its management philosophy that the Company exists to serve its Customers and that the business is for the people and believing that the true success and progress lies beyond the balance sheet, your Company is actively contributing to the social and economic improvement of the disadvantaged sections of the Society and enhancement of the societal capital.

Your Company has put in place all the required system for CSR at the Management level, following the new CSR Rules effective from this FY. Your Company has come up with a CSR Committee and the CSR Policy is developed and duly approved by the CSR Board. Muthoot Pappachan Foundation, the CSR arm of the Group was formally positioned as the facilitating Organization for implementing innovative CSR initiatives for MFL, benefiting communities at large. As a responsible corporate citizen your Company is responding to Health, Education, Environment and Livelihood sectors, actively engaging our stakeholders in the CSR initiatives.

Your Company is engaged both in direct and partnership projects in CSR domain. Muthoot Life Blood Directory, the first of its kind blood directory initiative from a Corporate in the Country is actively contributing to India’s voluntary blood pool, not only by blood donations but also by mass awareness campaigns on life saving blood donation, organized through its pan-India Branches. Treatment support, education assistance, housing supports, scholarships



etc. are some of the other direct programmes implemented by the CSR team, where the deserving beneficiaries are connected through the Muthoot Fincorp branches at respective locations. In the partnership initiatives, we have our flagship programme 'Smile Please' to provide free surgeries and services to patients with congenital cleft issues, partnering with Operation Smile, the expert medical charity Organization. Your Company has supported 350 kids who were having functional disorders due to cleft and by these corrective surgeries we made them smile. The programme was initially launched in Kerala and Tamilnadu through dedicated missions where medical experts from all over the Country took part, extending services par excellence. Your Company actually created a corporate model for staff engagement in CSR, that most of the patients who availed free cleft surgeries were identified by the Muthoot Fincorp Branch staff through rigorous and extensive outreach campaigns. More interestingly, these Branches act as single point of contact for the patients to get connected to the services of 'Smile Please' and guide them to avail all follow up services.

Your Company has CSR in its DNA and it continues with innovative and meaningful initiatives benefiting the needy, connecting all stakeholders, at the same time continue contributing to nation building following the CSR Rules and guidelines, bringing in programmes in the focused areas.

#### **Bringing succour to the poor and needy**

Going beyond the frontiers of financial services and committing itself to discharging its obligation to the Society at large, your Company continues to fund the various philanthropic activities undertaken by "Muthoot Pappachan Foundation" promoted by Muthoot Pappachan Group.

#### **Contributing to a greener tomorrow**

Committed to the greening of the Nation, your Company continued its focus on Wind Power generation staying invested Rs 118.51 crores with a total Wind Power generation capacity of 23.225 MWs from 19 Turbine Generators contributing 0.54% of the Gross Income of the Company.

#### **Seamless Customer Care**

With genuine concern for the Customers deeply ingrained in its value system and sensibility to their fast changing needs at the core of all its business activities, your Company continued its seamless service to the Customers, further cementing the relationship built over a century on the bed rock of "trust". The Company is highly responsive to the needs and satisfaction of its Customers and is committed to the belief that all technology, processes, products and skills of its people must be leveraged for delivering to the Customers the best of services and superior experience, mirroring tradition of excellence and quality products creating highest level of "customer delight".

#### **Gratitude to our Board of Directors**

Our Board of Directors has allalong been doing a central role in the Corporate Governance of the Company, in which task it has been acting honestly, in good faith and in the best interests of the Company and its Shareholders. I place on record my sincere gratitude particularly to the Independent Directors for their continued support and guidance.

#### **Looking Forward**

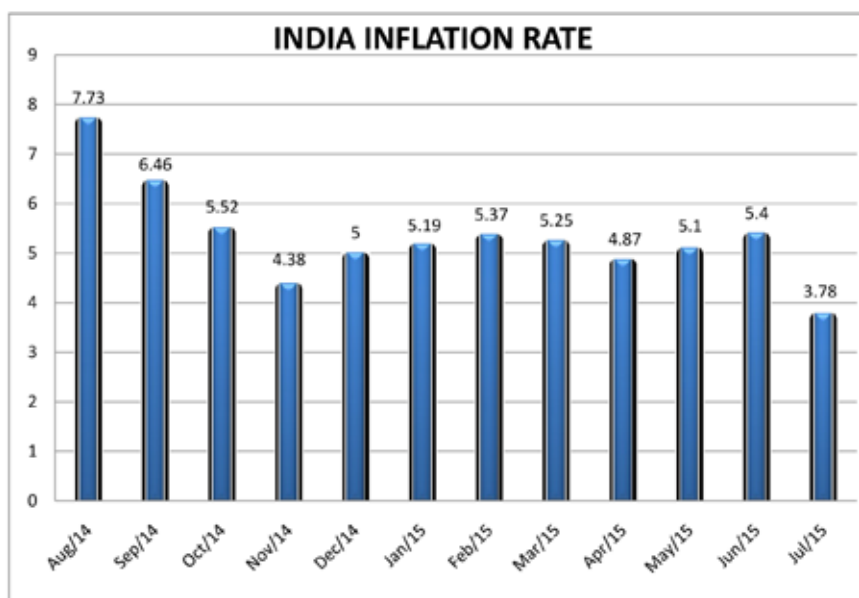
From the macro-economic perspective the worst is clearly behind us. The latest indicators, emerging from the recently revised (in January 2015) estimates of national income, unveiling a new statistical method to calculate it revising the base year from FY 2004-'05 to FY 2011-'12 point to the fact that the revival of growth started in 2013-'14 attained further vigour in 2014-'15. Factors like lower inflation, lower Current account deficit, contained fiscal deficit, robust foreign exchange reserves, steep decline in oil prices and the momentum in the reform initiatives of the new Government at the Centre along with its commitment to calibrated fiscal management and consolidation bode well for the growth prospects and the overall macro-economic situation. Encouraged by the greater macro-economic stability and the reformist intent and actions of the Government coupled with the improved business



sentiments in the Country, the IMF and World Bank have presented an optimistic growth outlook for India for the year 2015 and beyond. The Indian economy is, therefore, better placed to withstand the challenges emanating from the possible interest rate revision in US and its implication on the domestic economy and the subdued external demand.

During the FY 2014-'15 the Indian economy witnessed gradual movement from stagflation (stagnating growth and high inflation) to a phase of emerging green shoots of growth and sharp decline in inflation resulting in better growth prospects for the Country.

- The average retail inflation measured by Consumer Price Index (CPI) moderated to 6.3% in 2014-'15 (Apr-Dec; it slipped to 5.25% in March 2015) from 9.5% in 2013-'14.
- The average Wholesale Price Index (WPI) inflation declined in 2014-'15 to 3.4% (Apr-Dec; it dipped to 2.33% in March 2015) vis-a-vis 8.9% in 2013-'14 on the back of sharp decline in fuel and food prices. Food price inflation also moderated to 4.8% during Apr-Dec 2014 as compared to 9.4% in 2013-'14.
- The RBI had tightened the monetary policy last year which helped contain demand pressures creating a buffer against any external shock and keeping volatility in the value of the rupee under check. During the last one year the rupee remained relatively stable vis-a-vis the currency of emerging Countries, which too had a sobering influence on inflation.



Source: Ministry of Statistics and Programme Implementation (MOSPI), India

The Inflation Rate in India was recorded at 3.78% in July 2015. It averaged 8.33% from 2012 until 2015, reaching an all time high of 11.16% in November 2013 and a record low of 3.78% in July 2015.

In the light of the Government's commitment to reforms, the outlook for domestic macro-economic parameters is generally optimistic and a growth of around 8.5% is in the realm of possibility in 2015-'16.



Last year many of the world economies encountered various Country specific challenges, including structural imbalances, infrastructural bottlenecks, industrial slow down, high interest rate, increased financial risks and unco-ordinated macro-economic policy framework as well as geopolitical tensions. The global economy is still fragile leading to instability in the domestic economy due to risks arising out of volatile capital flows, turbulence in financial market, uncertainties in oil price movement, strong appreciation of the dollar and weak economic prospects of Emerging and Developing Market Economies. The contribution from the external Sector will be limited as export growth is continuously falling due to strong appreciation in dollar. Hence the FY 2015-'16 has thrown even more intense challenges for Financial Institutions in the Country.

But I have the strong conviction that your Company's good financials and strong capital base have equipped it to withstand the above challenges. The Company has taken steps to sustain and rebuild its growth potential by continuously focussing on Customer-centric approach, product innovation, aggressive marketing, skills development and institutionalising professionalism among staff. During the FY 2015-'16 your Company will continue to focus on further growing its business sustainability with better profitability. The Company is confident that with its strategic focus on people, processes and technology, it will remain in the leadership position in the emerging business environment. To respond to increasing competition and other challenges, the Company will make its business model more effective and try to improve its earnings through optimum mix of interest income and non-interest income. To achieve this, it will optimise the use of technology and focus not only on traditional business but also on non- interest income sources and fee income avenues. The Company will also continue to focus on improving its return ratios.

Your Company has embarked on its journey into the year 2015-'16 with the firm determination and confidence to achieve further excellence in service delivery and in financial performance, in meeting which I look forward to your continued support and encouragement as always.

Sd/-

**(Thomas John Muthoot)**  
Chairman and Managing Director





## Message from the Executive Director

**Mr. Thomas Muthoot**  
Executive Director



The Microfinance Division of Muthoot Fincorp Ltd. witnessed yet another year of excellent performance in 2014-'15. The Microfinance SBU started in 2010 has matured itself to a fully-fledged self-oriented Unit creating sustainable value to both our Customers and Stake holders. The Division is very fairly placed at the top as the largest Microfinance NBFC in Kerala and the 7th largest MFI operations in India. However, the most important motivating and encouraging recognition we received was the NBFC-MFI Licence issued to Muthoot Microfin Ltd by the Reserve Bank of India at the end of this Financial year.

In the Financial Year under review, the Microfinance Division expanded its operations to Madhya Pradesh, Uttar Pradesh and Odisha; the Division now has its presence in 9 States and 1 Union Territory in the Country, while maintaining its stronghold in South India. The Division has served more than 2 million women entrepreneurs and enjoys above one million active clients as on 31st March 2015.

Through the Division, Muthoot Fincorp Ltd has disbursed Rs. 1894.74 crores in the fiscal 2014-'15 in the remote rural outskirts of India, giving wings to the entrepreneurial dreams of underprivileged women. The Division's Operational Income increased from Rs 130.74 crores in FY 2013-'14 to Rs 277.66 crores in FY 2014-'15, climbing 112%. The total disbursement clocked a cumulative of Rs 3893.09 crores as on March 31, 2015.

In order to facilitate greater financial inclusion and empowering the rural households in India, the Division came forward with many sub products which have the potential to turnaround the lives of underserved people. Unique loan for dairy farmers, MSGB for growing micro enterprises, Water Purifiers for vulnerable community, Solar Lanterns for non-electrified Sectors and Sanitation Loan are some of them.

I am glad to mention that it was the committed and dedicated operations of Muthoot Fincorp's Microfinance Division which made me qualified to receive the "SEN



Inclusive Business and Community Award 2014” by YPO-WPO, recognising the Women Empowerment drive the Microfinance SBU has undertaken. I believe this is a recognition to the Company as a whole.

I am very happy about the new regulatory framework in the Industry and the launching of implementation of MUDRA (Micro Units Development and Refinance Agency Ltd) Bank to aid MFIs and micro entrepreneurs; this shows the Government’s commitment towards the larger goal of financial inclusion and trust in MFIs.

After registering new milestone of excellence in performance in the Financial Year 2014-’15, the Division is embarking on its journey into the year 2015-’16, infused with missionary zeal in scaling greater summits in performance, meeting which will be an interesting challenge. Muthoot Fincorp Ltd will be offering unlimited opportunity for expanding microfinance portfolio and maximum potential to extend our operations to all the possible corners of the Country. The inherent strength of its committed workforce, I am quite confident, will enable the Division to capitalise on the opportunities in bringing more value to Muthoot Pappachan Group.



## NOTICE TO MEMBERS

Notice is hereby given that the Eighteenth Annual General Meeting of Muthoot Fincorp Limited will be held at 11 AM. Tuesday, the 4<sup>th</sup> August 2015 at the Registered Office of the Company at Muthoot Centre, Punnen Road, Trivandrum - 695 039, to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2015 and the Statement of Profit and Loss for the year ended on that date together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Thomas Muthoot, (DIN: 00082099) Executive Director of the Company retiring by rotation and being eligible, offers himself for re-appointment.
3. To ratify the appointment of Auditors to hold office from the conclusion of the Eighteenth Annual General Meeting to the conclusion of the Nineteenth Annual General Meeting.

Trivandrum  
31.07.2015

By Order of the Board

sd/-  
**T.D. Mathai**  
Company Secretary

### NOTES:

1. A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company. Proxies, in order to be valid, must be duly filled in, signed and deposited at the Registered Office of the Company at least 48 hours before the commencement of the Meeting. A form of proxy is enclosed.
2. The Annual General Meeting is called at a shorter notice, and hence the enclosed form may be filled and returned giving your consent for calling the Annual General Meeting at shorter notice under Section 101(1) of the Companies Act, 2013.



## DIRECTORS' REPORT

To,  
The Members  
Muthoot Fincorp Limited

Your Directors are pleased to present the Eighteenth Annual Report together with the audited accounts of the Company for the year ended 31<sup>st</sup> March, 2015.

## FINANCIAL RESULTS

(₹ in Lakhs)

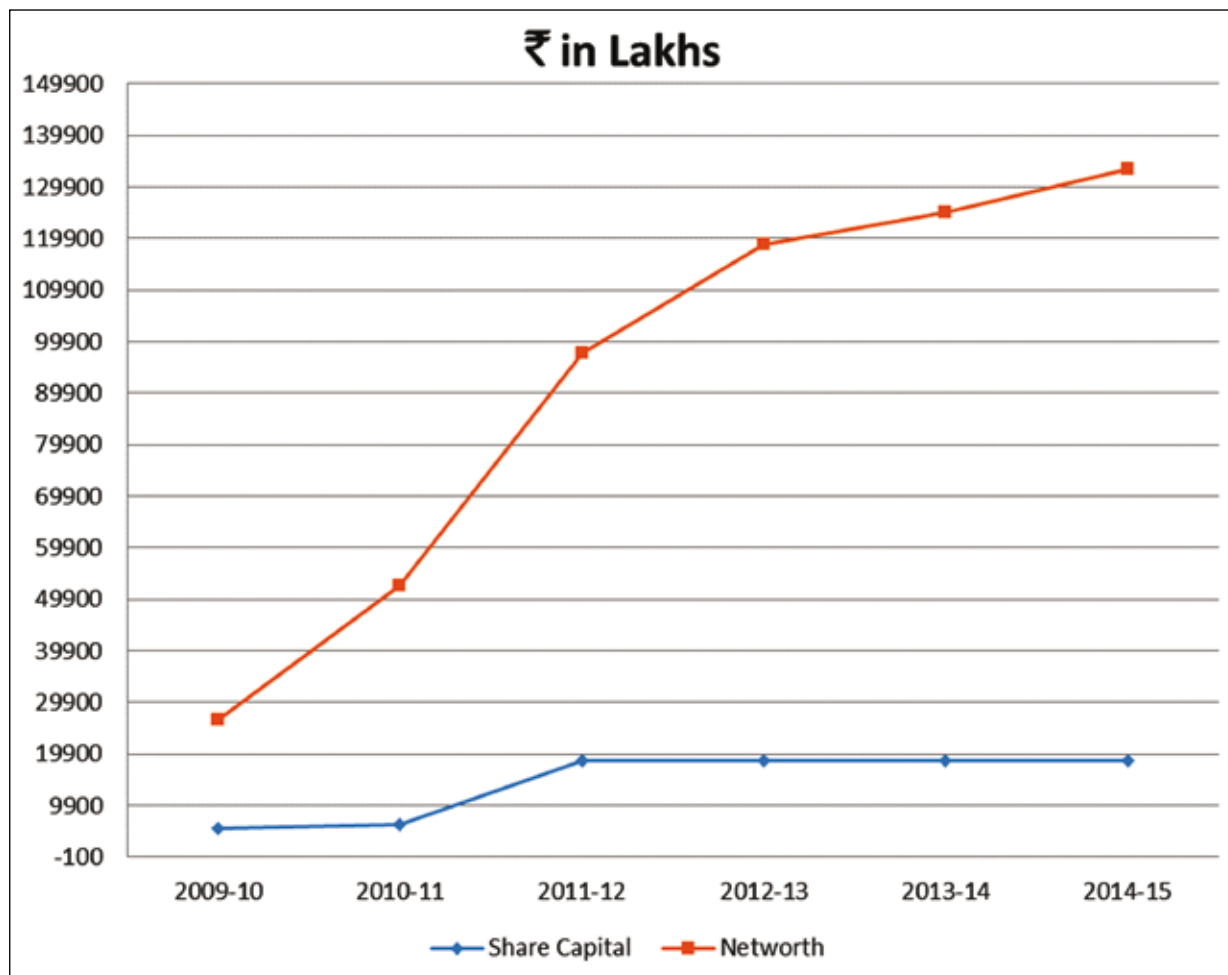
		Standalone		Consolidated
	Particulars	Current year ended 31.03.2015	Previous year ended 31.03.2014	Current year ended 31.03.2015
	Gross Income	2,03,886.52	1,97,531.70	2,08,236.99
Less	Expenses	1,90,521.02	1,91,098.12	1,95,214.68
	Profit before Tax	13,365.50	6,433.58	13,022.31
Less	Tax Expenses	4,988.41	106.74	4,979.71
	Profit for the period	8,377.09	6,326.84	8,042.60
	Balance Profit carried to Balance Sheet	43,966.47	48,293.71	42,845.54
	Earnings Per Share (Rs.)	4.49	3.39	4.25
	Reserves & Surplus	1,14,706.06	1,06,328.97	1,13,611.35
	Fixed Assets (Net)	55,080.36	53,366.90	56,167.25
	Borrowings	8,73,654.45	8,71,380.59	9,06,268.12

## CHANGE IN THE NATURE OF BUSINESS, IF ANY

The Company is mainly in the business of granting retail loans against the security of Gold Ornaments. There is no structural change in the business carried out by the Company during the year under review.

## SHARE CAPITAL & NET WORTH

The Authorised and Paid up Share Capital of the Company stood at ₹20,000 Lakhs and ₹18,656.27 Lakhs respectively. The Net Worth of the Company is ₹1,33,362.33 Lakhs as against ₹1,24,985.24 Lakhs in the previous year, registering an increase of 6.70%.



## DIVIDEND

Your Directors are not recommending any dividend during the year under review.

## THE AMOUNT IF ANY PROPOSED BY THE BOARD TO CARRY TO RESERVE

During the year, the Company proposes to transfer the following amounts to Reserves:

1. Statutory Reserve - ₹1,675.42 lakhs.
2. Debenture Redemption Reserve - ₹11,028.91 Lakhs

## OPERATIONS

As on 31 March 2015, your Company had 3,699 Branches spread across 17 States as detailed below and serving about 50,000 customers a day on an average.





Sl. No:	State	No: of Branches
1	Kerala	992
2	Tamil Nadu	898
3	Karnataka	545
4	Andhra Pradesh	346
5	Maharashtra	186
6	Goa	11
7	Gujarat	117
8	Rajasthan	52
9	Punjab	49
10	Madhya Pradesh	31
11	Uttar Pradesh	43
12	Odisha	11
13	Haryana	60
14	Delhi	95
15	Uttarakhand	2
16	Telengana	234
17	West Bengal	27
<b>Total</b>		<b>3699</b>

The long standing association of our employees with our customers, their experience, our expertise in the core product i.e. gold loan, and our presence especially in areas with poor banking coverage is helping the Company in providing quick and customised finance options and investment products to our customers.

The total income during the year was ₹2,03,886.52 lakhs from operations and Profit After Tax was ₹8,377.09 lakhs. The total Asset under Management (AuM) was ₹8,36,149.58 lakhs. Your Company continued its focus in introducing innovative products to meet the diverse requirements of the Customers.

Over the past few years, the increase in branch network, the consequent intake of branch staff for manning these branches and the introduction of new products, has brought with it fresh challenges, particularly those pertaining to its operations. Improving the operational controls is a continuous process and the company is giving its undivided attention to make it robust and tuned to the requirements.

Some of the key initiatives taken to improve the sales of the company are:

- Re-organisation of structure - We have divided the entire area of our operation into six zones with 72 regions. Each region is headed by Regional Manager (RM). Area Managers are allotted to each RM for looking after Operations, Business Development, Infrastructure, Admin and Human Resources. On an average, there are 55 branches in a region. This re-organisation has helped to build conviction and confidence among staff and increased focus on the core product viz. Gold Loan.
- More focus to increase walk-in of customers, particularly new customers
- Introduction of new competitive products to gain momentum of gold loan business
- Introduction of Neighborhood Loans (SME & Suvidha) to serve the small entrepreneurs to increase the customer loyalty and walk-ins.
- Enhancement of the technology to view the daily MIS
- Due focus on collection of interest on loan.
- Introduction of online Branch Inspection Reports.



## COMPLIANCE WITH RBI GUIDELINES

Your Directors confirm that the Company has not invited or accepted any deposits from the public and the Company has complied with all the applicable regulations of the Reserve Bank of India as on March 31, 2015.

## CORPORATE GOVERNANCE

Corporate governance is a reflection of our culture, our relationship with stakeholders, and our commitment to values. At MFL, it is imperative that our company's affairs are managed in a fair and transparent manner.

We conduct the business with all integrity and fairness, transparency with regard to all transactions, making all the necessary disclosures and decisions, complying with all the laws of the land, accountability and responsibility towards the stakeholders and with commitment to conducting business in an ethical manner.

The Company had framed Investment and Corporate Governance Policies and these Policies were approved by the Board at their meeting held on 20<sup>th</sup> February, 2009.

### Board of Directors

Your company has an appropriate mix of executive and independent directors to maintain the independence of the Board and separate its functions of governance and management. Your Board of Directors comprises of individuals who have vast business experience in various disciplines. The day to day affairs of the Company is managed by a Senior Management Team lead by the Managing Director, who functions under the overall supervision, direction and control of the Board of Directors.

The Board of your Company comprises of seven Directors as on the date of this report as detailed below:

Category	Name of Directors
Executive Directors	Mr. Thomas John Muthoot, Chairman & Managing Director
	Mr. Thomas Muthoot, Executive Director & Chief Financial Officer
Non - Executive - Non Independent Directors	Mr. Thomas George Muthoot
	Mrs. Janamma Thomas
Non - Executive Independent Directors	Mr. R. Kamalasanan Nair
	Mr. A.P. Kurian
	Mr. A. Vikraman

All the Directors have rich experience and specialized knowledge in various areas of relevance to the Company. The composition of the Board is as per the Companies Act, 2013.

Mr. Thomas Muthoot (DIN: 00082099), Executive Director of the Company will retire at the ensuing Annual General Meeting and being eligible, offers himself for reappointment. The Board of Directors recommends the reappointment of Mr. Thomas Muthoot as Director of the Company.



### A) Changes in Directors and Key Managerial Personnel during the year 2014 - 2015

During the year under review, at the Extra-Ordinary General Meeting held on 29.10.2014, the directorships Mr. A P Kurian (DIN: 00008022), Mr. R. Kamalasanan Nair (DIN: 00631889) and Mr A.Vikraman (DIN: 01978341) were regularised as Independent Directors in the Board pursuant to Sections 149,152 and other applicable provisions of the Companies Act, 2013, for a period of 5 years from 01.11.2014.

Mr. Thomas Muthoot (DIN: 00082099), Executive Director was appointed as Chief Financial Officer of the Company as per the provisions of Section 203 and all other applicable provisions of the Companies Act, 2013.

The following persons are the Key Managerial Personnel of the Company as recorded by the Board:

1. Mr. Thomas John Muthoot - Managing Director
2. Mr. Thomas Muthoot - Executive Director cum Chief Financial Officer
3. Mr. T.D Mathai - Company Secretary

### B) Woman Director

As per the provisions of Section 149 of the Companies Act, 2013, the Company shall have at least one woman Director in the Board. Your Company has Mrs. Janamma Thomas, as Woman Director on the Board of the Company.

### C) Declaration by Independent Director(s) and re- appointment, if any

The Company has three Independent Directors in the Board. The Company has received necessary declaration from each Independent Director under Section 149 (7) of the Companies Act, 2013 to the effect that he meets the criteria of independence as laid down in Section 149 (6) thereof.

## Disclosure relating to remuneration of Directors and Key Managerial Personnel.

In accordance with Section 178 and other applicable provisions, if any, of the Companies Act, 2013 read with rules issued there under, the Board of Directors at their meeting held on 27<sup>th</sup> March 2015 formulated the Nomination and Remuneration Policy of your Company on the recommendation of the Nomination and Remuneration Committee. The salient features covered in the Nomination and Remuneration Policy covering the policy of appointment and remuneration of directors is annexed to this report as **Annexure I**

The Managing Director of your company does not receive remuneration from any of the subsidiaries of your company.

The information required under Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of Directors/employees of your company is given in **Annexure II** to this report.

## Number of meetings of the Board of Directors

19 meetings of the Board of Directors were held during the Financial Year 2014 - '15 on the following dates:

12<sup>th</sup> April 2014, 7<sup>th</sup> May 2014, 9<sup>th</sup> May 2014, 2<sup>nd</sup> June 2014, 21<sup>st</sup> June 2014, 9<sup>th</sup> July 2014, 22<sup>nd</sup> July 2014, 19<sup>th</sup> August 2014, 21<sup>st</sup> August 2014, 22<sup>nd</sup> September 2014, 13<sup>th</sup> October 2014, 18<sup>th</sup> October 2014, 20<sup>th</sup> October 2014, 27<sup>th</sup> November 2014, 15<sup>th</sup> December 2014, 13<sup>th</sup> January 2015, 14<sup>th</sup> February 2015, 25<sup>th</sup> February 2015 and 27<sup>th</sup> March 2015.



The Composition of the Board of Directors and Category of Directors during the financial year under report and the number of Directorships of each Director are given below.

Name of the Director	Nature of Directorship	No. of meetings attended	No: of other Directorship etc (As per last declaration made to the Company)		
			Public	Pvt.	Firms/ LLPs
Mr. Thomas John Muthoot	Promoter Chairman and Managing Director	17	5	14	9
Mr. Thomas Muthoot	Promoter Executive Director & Chief Financial Officer	13	4	15	9
Mr. Thomas George Muthoot	Promoter Director	16	4	14	9
Ms. Janamma Thomas	Promoter Director	12	0	0	3
Mr. R. Kamalasanan Nair	Independent Director*	13	2	0	0
Mr. A.P Kurian	Independent Director*	3	3	1	0
Mr. Vikraman Ampalakkat	Independent Director*	3	1	1	0

\* The Independent Directors do not hold any equity shares in the Company or in any of its group Companies.

The Board is ultimately responsible for the stewardship of the Company and to this end meets regularly to discuss, review and appraise the strategic performance of the Company including the achievement of its strategy; make sure that procedural and compliance matters are properly dealt with; monitor financial performance; provide directions on policy formulation; articulate the risk appetite and review the overall control framework. The Board thus closely monitors the overall functioning of the Company with a view to enhancing the shareholder value and ensuring adherence to the principles of Corporate Governance that it has laid down.

## Committees of the Board of Directors

The Board also has delegated some of its powers to sub-committees, some of which have also been formed to comply with applicable regulations. These committees monitor matters that come under their mandate in more detail. These committees are:

### i. Audit Committee

The Company has constituted a qualified Audit Committee as required under Para 9A of the Non – Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998 and Section 177 of the Companies Act, 2013. As per Sec 177(4) of the Companies Act 2013, the terms of reference to be specified in writing by the Board shall inter alia include:

- The recommendation for appointment, remuneration and terms of appointment of Auditors of the Company.
- Review and monitor the Auditor's independence and performance, and effectiveness of Audit process.
- Examination of the financial statement and the Auditors' Report thereon.
- Approval or any subsequent modification of transaction of the Company with related parties.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the Company wherever it is necessary.
- Evaluation of internal financial controls and risk management systems
- Monitoring the end use of funds raised through public offers and related matters.



The main responsibilities of the Audit Committee are:

1. Review of the financial statements (including interim financial statements) and oversight of the financial reporting process with a view to ensuring transparency and accuracy of financial reporting and disclosures, prior to their submission to the Board for approval.
2. Review of the scope of work of the Auditor, prior to commencement of the audit and, holding appropriate discussions on the matters that arose during the audit.
3. Review of the robustness and effectiveness of the internal control systems in place at the Company.
4. Recommending to the Board the appointment, reappointment, and if required, the replacement or removal of the Statutory Auditors and the fixation of audit fee;
5. Reviewing the effectiveness of internal audit including the independence of the internal audit function, the adequacy of staffing and, the coverage, scope and frequency of audits;
6. Review the functioning of whistle blower mechanism.

The Audit Committee is comprised of:

Name of the Director	Nature of the Directorship	Designation	No: of Meetings attended
R. Kamalasanan Nair	Independent	Chairman	5
Thomas Muthoot	Executive Director	Member	5
Thomas George Muthoot	Director	Member	5

Five meetings of the Audit Committee were held on 2<sup>nd</sup> May 2014, 22<sup>nd</sup> July 2014, 18<sup>th</sup> October 2014, 25<sup>th</sup> February 2015 and 27<sup>th</sup> March 2015 during the Financial Year 2014-'15.

The Board of Directors of the Company reconstituted the Audit Committee on 27<sup>th</sup> March 2015 with the following members to comply with the provisions of Sec 177 of the Companies Act, 2013

Name of the Director	Nature of the Directorship	Designation
Mr. R. Kamalasanan Nair	Independent	Chairman
Mr. A.P Kurian	Independent	Member
Mr. Thomas George Muthoot	Director	Member

## ii. Nomination and Remuneration Committee

As per the provisions of Sec.178 of the Companies Act, 2013, the Company has to constitute a Nomination and Remuneration Committee (NRC) which combines both the functions of the existing Nomination Committee and Remuneration Committee

The Nomination and Remuneration Committee is comprised of:

Name of the Director	Nature of the Directorship	Designation in the Committee	No: of Meetings attended
Mr. Thomas George Muthoot	Director	Chairman	1
Mr. Thomas John Muthoot	Managing Director	Member	1
Mr. R. Kamalasanan Nair	Independent Director	Member	0
Mr. A.Vikraman	Independent Director	Member	1

One Meeting of the Nomination and Remuneration Committee was held on 27<sup>th</sup> March 2015 during the financial year 2014 – '15.





### iii. Corporate Social Responsibility Committee

As per the provisions of Sec 135 of the Companies Act, 2013, the Company has constituted the Corporate Social Responsibility (CSR) Committee of the Board.

The Corporate Social Responsibility (CSR) Committee is comprised of:

Name of the Director	Nature of the Directorship	Designation in the Committee	No: of Meetings attended
Mr. R. Kamalasanan Nair	Independent Director	Chairman	3
Mr. Thomas John Muthoot	Managing Director	Member	2
Mr. Thomas Muthoot	Executive Director	Member	3
Mr. Thomas George Muthoot	Director	Member	3

Three meetings of the Corporate Social Responsibility Committee were held on 4<sup>th</sup> October 2014, 16<sup>th</sup> October 2014 and 3<sup>rd</sup> November 2014 during the Financial Year 2014-'15

### iv. Stake Holders Relationship Committee

As per the provisions of Sec. 178(5) of the Companies Act, 2013, the Company has to constitute a Stake Holders Relationship Committee consisting of a Chairperson who shall be a non-executive Director and such other members as may be decided by the Board.

The Company has constituted the Stake Holders Relationship Committee with the following members:

Name of the Director	Nature of the Directorship	Designation in the Committee	No: of Meetings attended
Mr. Thomas George Muthoot	Director	Chairman	1
Mr. George Lamannil	Executive Director & General Counsel	Member	3
Mr. S. Kannan	Executive Vice President	Member	3

Three meetings of the Stake Holders Relationship Committee were held on 2<sup>nd</sup> February 2015, 7<sup>th</sup> March 2015 and 19<sup>th</sup> March 2015 during the Financial Year 2014-'15.

### Other Committees

In compliance with the Reserve Bank of India Circular dated 8 May, 2007 and June 27, 2001, the Company has also constituted the following Committees.

#### i. Asset Liability Management Committee (ALCO)

The Company has constituted an Asset Liability Management Committee as per RBI Circular No: DNBS (PD). CC No. 15/02.01/2000 – 2001 dated June 27, 2001.

The responsibilities of the ALCO are:

- Balance sheet planning from a risk - return perspective including the strategic management of interest rate and liquidity risks.
- To identify balance sheet management issues like balance sheet gaps and review the liquidity contingency plan.



- c. Pricing of products.
- d. Review the results of and progress in implementation of the decisions made in the previous meetings.
- e. Articulate the current interest rate view and base its decisions for future business strategy on this view.
- f. Capital requirement forecasts, capital allocation and monitoring of capital adequacy requirements.

Name of the Members	Designation of the Members
Mr. Thomas John Muthoot	Chairman & Managing Director
Mr. George Lamannil	Executive Director and General Counsel
Mr. S. Kannan	Executive Vice President
Mr. Joseph Oommen	Vice President - Finance and Accounts
Mr. Nadanasabapathy R	Vice President - Resource Planning

#### ii. Risk Management Committee

The Company has constituted a Risk Management Committee as per the RBI Circular No: DNBS (PD) CC No. 156/03.10.2001/2009 - 10 dated July 1, 2009.

The responsibilities of the Risk Management Committee are:

- a. Assisting the Board in the articulation of its risk appetite.
- b. Overseeing the implementation and maintenance of a sound system of risk management framework which identifies, assess, manages and monitors risk;
- c. Recommend to the Board, clear standards of ethical behavior required of Directors and employees and to encourage observance of these standards.
- d. Assessment of the Company's risk profile and key areas of risk in particular.
- e. Examining and determining the sufficiency of the Company's internal processes for reporting on and managing key risk areas.

Name of the Director	Nature of the Directorship	Designation in the Committee
Mr. R. Kamalasanan Nair	Independent Director	Chairman
Mr. Thomas John Muthoot	Managing Director	Member
Mr. Thomas Muthoot	Executive Director	Member

## Disclosures

#### Related Party Transactions

Particulars of contracts or arrangements with related parties referred to in subsection 1 of section 188 of the Companies Act, 2013 in the prescribed form (AOC-2) is given as **Annexure III**

#### Vigil Mechanism/ Whistle blowing Policy

The Company is committed to the highest standards of openness, probity and accountability. In line with that commitment, we expect employees and others that we deal with, and who have serious concerns about any aspect of the company, to come forward and voice those concerns.



For this purpose, the Company has put in place a formal whistle blowing policy/vigil mechanism for its employees, customers and other stakeholders. The policy has clearly laid down its scope and applicability, procedure to be followed for whistle blowing including the e-mail address and telephone numbers of the senior officers handling the matters escalated to them through the whistle blowing mechanism. The policy is also evangelised to employees by senior officers during their visits to branches.

## Fair Practices Code

The Company has framed a Fair Practices Code (FPC) as per the guidelines issued by Reserve Bank of India in this regard. The FPC is posted on the website of the Company. The FPC is also reviewed at frequent intervals to ensure its adequacy and appropriateness.

## Customer Grievance

The Company has a dedicated Customer Grievance Cell for receiving and handling customer complaints and ensuring that the customers are treated fairly and without bias at all times. All issues raised by customers are dealt with courtesy and resolved expeditiously.

## PERPETUAL DEBT INSTRUMENTS (PDIs)

During the year under report your Company did not issue any PDI. The amount outstanding at the close of the Financial Year under PDIs was ₹14,400 Lakhs. Interest on PDIs has been paid as per RBI guidelines.

## CAPITAL ADEQUACY RATIO

Every Non Deposit taking NBFC is required to maintain a minimum Capital Adequacy Ratio consisting of Tier I and Tier II Capital which shall not be less than 15% of its aggregate risk weighted assets on Balance Sheet items and of risk adjusted value of off Balance Sheet items. With effect from 01.04.2014, for Gold Loan Companies the minimum Tier I Capital shall be 12%. The Company's Capital Adequacy Ratio was 22.06% as on March 31, 2015, consisting of Tier I Capital of 14.53% and Tier II Capital of 7.53% which is above the statutory requirement.

### DETAILS OF AUCTION CONDUCTED DURING THE YEAR

The details of the auction conducted during the year under report are given below:

Number of Accounts auctioned	3,47,341
<b>Outstanding Amount (₹Lakhs)</b>	
Principal : 1,42,724.14	
Interest : 72,544.28	2,15,268.42
Value fetched under auction (₹Lakhs)	1,75,272.30

None of the sister concerns of the Company participated in the Auction.



## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT UNDER SECTION 186.

The Company has not made investments not permitted under sub section (1) of section 186 of the Companies Act, 2013. The other provisions of section 186 of the Companies Act, 2013 are not applicable to the Company since it is a Non-Banking Finance Company, as per the provisions of Companies (Meeting of board and its powers) Rules 2014.

## DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3) (c) of the Companies Act, 2013, your Directors confirm that:

- i. In the preparation of the Annual Accounts, applicable Accounting Standards had been followed along with proper explanation relating to material departures.
- ii. They 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 or loss made by the Company for that year.
- iii. They had taken proper and sufficient care for the 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 fraud and other irregularities.
- iv. They had prepared the Annual Accounts on a going concern basis.
- v. The directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- vi. 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.

## STATUTORY AUDITORS

As per the provisions of Section 139 of the Companies Act, 2013 the Shareholders at their Annual General Meeting held on June 3, 2014 approved the appointment of M/s. A. Cherian and Associates, Chartered Accountants, Manganam P.O, Kottayam - 18, as Statutory Auditors for a period of 3 years commencing from the conclusion of the seventeenth Annual General Meeting to the conclusion of the twentieth Annual General Meeting, subject to the ratification of members at every subsequent Annual General Meeting. The Auditors have confirmed their eligibility to the effect that their appointment would be within the prescribed limits under the Companies Act, 2013 and that they are not disqualified for re-appointment. As recommended by the Audit Committee, the Board of Directors recommends the ratification of the appointment of M/s. A. Cherian and Associates, Chartered Accountants as Statutory Auditors for the FY 2015-16.

## SECRETARIAL AUDITORS

Your Directors have appointed M/s. SVJS & Associates, Company Secretaries, 39/3519 B, First Floor, Padmam Apartments, Manikkath Road, Ravipuram, Kochi - 682016, as Secretarial Auditors for the financial year 2014-15. The Secretarial Audit Report for the financial year ended March 31, 2015 is attached to this report as **Annexure IV**

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.



## EXTRACT OF ANNUAL RETURN

The extract of the annual return in Form No. MGT – 9 is attached to this report as **Annexure V**

## DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary and trainees) are covered under this policy.

The following is a summary of sexual harassment complaints received and disposed off during the year 2014-15.

No. of complaints received	: 4
No. of complaints disposed off	: 4

## INTERNAL FINANCIAL CONTROLS

The Company has in place adequate internal financial controls with reference to financial statements. During the year such controls were tested and no reportable material weakness in the design or operation were observed.

## CORPORATE SOCIAL RESPONSIBILITY (CSR)

The practice of 2% mandatory CSR spend started during this financial year, following the new CSR Rules in the Companies Act, 2013. The Company has taken steps adhering to these Rules and initiated its CSR activities aligning to the norms and directions. The CSR Committee has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board.

During the financial year, efforts have been to plan and implement activities within the HEEL framework (Health, Education, Environment and Livelihood), complying to the Schedule VII activities in the CSR Rules. The following key CSR initiatives were undertaken during the year:

### Health

- Muthoot Life Blood Directory which was initiated in 2011-12 has now a strength of 61,012 active registered Donors and functioning pan India. 674 patients were supported with blood donations during 2014-15 adding on to Country's voluntary blood pool.
- The flagship CSR programme of the Company, 'Smile Please', free surgery mission for cleft patients has commenced from this year partnering with Operation Smile India, a Medical Charity Organisation who are experts in providing cleft care. Missions were conducted in Kerala and Tamilnadu wherein 350 kids received free cleft surgery and care.
- Aashiana Centre for Physical and Medical Rehabilitation (PMR) is now in establishment phase. The construction phase of the Centre is about to finish and the PMR centre is expected to start functioning from the next financial year.
- Treatment Support were provided to 73 patients from disadvantaged sections of the society. Supports were given to patients suffering from cardiac issues, kidney patients, cancer patients and also patients with other chronic diseases.
- Periodic Medical Camps were conducted at branches of the Company at various locations.



## Education

- Education support to 457 students in two adopted villages (Konni & Panathura) were extended. Programme include schooling supports and cluster based community education.

## Livelihood

- Supporting Ernakulam Cricket Club and its events towards providing training related to Cricket. Special attention is given to include aspiring players from challenging backgrounds.

## Need Based Supports

Need based supports were extended for education of students from financially backward families, assistance for construction of houses for deserving families, supports for sports champions from poor financial background to get professionally trained and participate in matches etc.

During the year the Company has spent Rs. 134.89 lakhs on CSR activities. The Company is in an effort to bring in more impactful programmes in CSR, partnering with pioneering NGOs in field.

The Annual Report on CSR activities is annexed herewith vide **Annexure VI**

## RISK MANAGEMENT

### Overview

The risk management framework at the Company encompasses practices relating to the identification, assessment, monitoring and mitigation of strategic, operational, and external environment risks to achieving our key business objectives. The key objective of our risk management framework is to minimise the adverse impact of risks to our key business objectives and enable the company to leverage market opportunities effectively. Several risks can impact the achievement of business objectives. Even a single risk can impact the achievement of a business objective.

### Risk Management Framework

Our risk management framework works at various levels across the enterprise. The key roles and responsibilities regarding risk management in the company are summarised as follows:

Level	Key roles and responsibilities
Board of Directors	<ul style="list-style-type: none"><li>• Corporate governance oversight of risk management</li><li>• Review the performance of the Risk Management Committee</li></ul>
Risk Management Committee	<p>Comprises of one independent Director as its Chairman, the Managing Director and the Executive Director</p> <p>Responsibilities include</p> <ul style="list-style-type: none"><li>• Assisting the Board in the articulation of its risk appetite;</li><li>• Overseeing the implementation and maintenance of a sound system of risk management framework which identifies, assess, manages and monitors risk;</li><li>• Recommend to the Board clear standards of ethical behaviour required of Directors and employees and, encourage observance of these standards</li><li>• Examining and determining the sufficiency of the Company's internal processes for reporting on and managing key risk areas.</li></ul>



Risk Management Department	<p>Comprises of the Branch Audit and Inspection (BAI) Department and Corporate Internal Audit Department</p> <p>Responsible for</p> <ul style="list-style-type: none"> <li>Facilitating the execution of risk management practices in the enterprise as mandated, in the area of risk identification, assessment, monitoring, mitigation and reporting</li> <li>Providing quarterly updates to the Risk Management Committee on top risks and their mitigations</li> <li>Working closely with owners of risk in deploying risk mitigation measures and monitoring their effectiveness</li> </ul>
Department and Unit Heads	<ul style="list-style-type: none"> <li>Responsible for managing their functions as per the Company's risk management philosophy</li> <li>Responsible for managing risks concomitant to the business decisions relating to their department or unit</li> <li>Manage risks at the unit level that may arise from time to time in consultation with the Risk Management Department</li> </ul>
The Muthootian	<ul style="list-style-type: none"> <li>Adhering to the risk management policies and procedures</li> <li>Implementation of prescribed risk mitigation actions</li> <li>Reporting risk events and incidents in a timely manner</li> </ul>

### Key business objectives

The Board periodically revalidates the strategic themes and business objectives of the company and ensures that there is a balance between short and medium term goals. The corporate performance is measured, monitored and managed on an ongoing basis.

The focus of risk management is to assess risks to the achievement of these key business objectives and deploy mitigation measures.

### Risk categories

Following are the broad categories of risks to the business objectives in our risk management framework:

- Strategic:** These risks originate from the choices we make on markets, business mix, resources that can potentially impact our competitive advantage in the medium and long term.
- Industry:** Risks relating to the inherent characteristics of our industry such as competitive structure, extent of linkage to economic environment and regulatory structure.
- Counterparty:** Risks arising from our association with entities for conducting business. The counterparties include our customers, vendors etc. Counterpart risks include those relating to litigation and loss of reputation.
- Resources:** Risks arising from inappropriate sourcing or sub-optimal utilisation of key organisational resources such as financial capital, talent and infrastructure.
- Operations:** Risks inherent to business operations including those relating to customer acquisition, physical security, information security, and business activity disruptions. Operational risks are assessed primarily on three dimensions – business process effectiveness, compliance to policies and procedures, and strength of underlying controls.
- Regulatory environment:** Risks due to adverse developments in the regulatory environment that could potentially impact our business objectives.

### Corporate Internal Audit

The Corporate Internal Audit is responsible for evaluating and providing assurance to the Board of Directors and Executive Management on the effectiveness of the Company's Internal Control, Risk Management and Governance Processes. This involves reviewing the effectiveness and efficiency of all business processes and their compliance with the Company's policies, standards and procedures, and all applicable laws and regulations.



**Branch Audit and Inspection (BAI)**

BAI is primarily responsible for the following functions:

1. Internal audit of branches.
2. Inspection of gold (both weight and quality) at the branches.

Decentralisation of branch audit and inspection function:

One of the essential factors for a robust internal control framework is the ability of the organisation to learn from its previous mistakes and initiate rectification measures to prevent the recurrence of such incidents.

The Regional Audit Review Committee (RARC) has been formed to ensure that there is a formal process for discussing / reviewing long pending / unattended audit remarks at any level and to ensure that all audit objections are cleared in time. All departments in the regional hierarchies engage in an across the table discussion with regard to the irregularities committed at various branches and reported by BAI team.

**Other measures:**

To improve the efficiency of risk management function and also to draw upon specialist skill sets, the Company also utilizes the services of outside consultants to perform certain engagements relating to the risk management/ audit activities.

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988 in regard to:

- (a) **Conservation of energy:** Not applicable, in view of the nature of the business of the Company being Financial Services
- (b) **Technology Absorption:** The Company is steadily applying and adopting technology to improve services efficiently, and
- (c) **Foreign Exchange earnings and outgo:** The Company has no foreign exchange earnings. There was an outgo of foreign exchange of ₹5.08 Lakhs.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report is attached and forms an integral part of the report of the Board of Directors.

## ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation for the assistance, co-operation and guidance received by the Company from the Central Government, the State Government, the Reserve Bank of India, the Registrar of Companies, Kerala and other Regulatory Authorities, Bankers, Financial Institutions, Members, Vendors and Customers during the year under review and look forward to their continued support. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the Employees of the Company.

Thiruvananthapuram  
Dated: 31.07.2015

For and on behalf of the Board  
sd/-  
**Thomas John Muthoot**  
Chairman and Managing Director



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### ***Economic Outlook:***

The Global economy in FY 2014-15 had divergent trends among major economies. 2014-15 has been a year marked by excitement and its share of challenges. Despite uncertainties, the global economic recovery is gaining momentum. These indications of positive changes have masked the growth divergence among major economies.

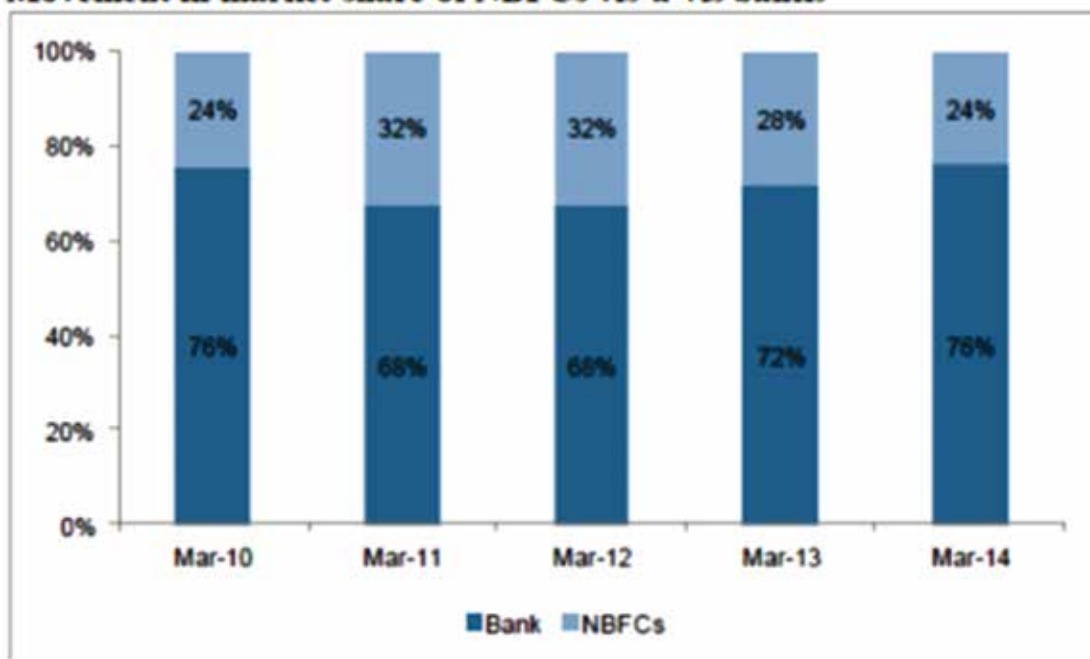
On the domestic front, the decisive political mandate accorded in the general elections set the stage for surging hopes for a rapid economic turnaround of the Indian economy. While many macro- economic indicators have improved during the course of the year, the journey to realize the growth potential of the economy is slow and challenging.

On the macro front the biggest comfort came from the sharp drop in crude oil prices. For a large importer like India, falling energy prices have significantly helped in controlling the trade deficit and easing inflation. This will help the growth in domestic consumption. Head line inflation as measured by CPI has eased by almost 360 bps to 5.9% in 2014-15. Despite weak export growth, the trade deficit remained largely unchanged from 2013-14 helped by the soft commodity prices, especially crude and contained gold demand. Improving macro indicators and hope of gaining in reform momentum have resulted in renewed portfolio investment interest in the economy. The improved portfolio inflows and prudent management by the Central Bank have resulted in a relatively stable exchange rate environment. The improving macro factors have resulted in the overall growth with GDP growth in 2014-15 estimated at 7.4% against 6.9% in 2013-14.

While the main indicators point towards steady improvement, the ground level recovery has been rather slow. Even though the inflation remains at lower levels there is no significant improvement in demand conditions. The demand conditions have been quite challenging across sectors as borne out by the slow improvement in industrial production. Some of the other key underlying drivers like credit growth and fixed capital formation also highlight a very sluggish environment. Similarly numbers related to housing and real estate sector do not indicate a very positive trend either.

### ***Gold Loan Industry outlook:***

- 1) The year gone by, 2014, was one of consolidation and correction for the gold loan industry. Regulatory corrections leading to level playing field getting restored to organised gold loan companies by way of 75% LTV instead of 60%, was a positive development. However, the stipulation of issuing cheques for loans of Rs. one lac and above was not withdrawn. A combination of 60% LTV plus loan disbursement by cheque for high value loans, saw large scale movement of high ticket customer to banks, which trend is not yet reversed. As a result, while gold loan transactions continue to grow, value of gold loans have not grown proportionately.
- 2) Unorganised sector continues to account for 75% of gold loan market, which can be seen as a potential opportunity. The share of Non-Banking Financial Companies (NBFCs) in the organised segment has witnessed a redistribution viz-a-viz banks as can be seen from below graph. Share of NBFCs in gold loans in organised sector has moved down in percentage terms to 24% in 2014 from 32% in 2012 and 28% in 2013. This movement is further accelerated by private sector banks getting more aggressive on gold loans.

**Movement in market share of NBFCs vis-a-vis banks**

- 3) Gold Loan NBFCs including yours, could assimilate the correction in gold prices and put in place better risk management practices. Some major NBFCs which had gold loan as one of the product offerings, have quit gold loan segment as they could not manage the price correction. This will lead to a more mature gold loan market.
- 4) The outlook for credit to our target segment overall, including gold loan, may witness a major change with the arrival of micro lenders, telcoms, some major NBFCs and other players in the Small Banks and Payment Banks space. Application for Small Banks license are the maximum – 72 out of 113 in total – of which 15 are Micro Finance Institutions. Besides a large housing finance company operating pan India, one gold loan NBFC from Kerala has also applied. Since these banks will have access to deposits and hence will be in a position to reduce cost of funds, their ability to lend at competitive interest rate viz-a-viz commercial banks, will be a game changer. As regards Payment Banks, besides India Post, Reliance group, major Telecom Players and Pre-paid Card Issuers, the largest gold loan NBFC has also applied. Though payment banks may not get access to cheaper public deposits, there is a possibility of extracting synergy from their existing branch network through this new vertical thereby bringing down overall operational cost.
- 5) Overall, positive signs of recovery are visible in the organised gold loan segment, backed by a stable regulatory environment and relatively steady gold prices, after 18 months of turbulence. Your company believes that with continuous up-gradation of product range and by reducing operational cost to remain competitive, our network of branches across the country gives a positive opportunity to grow further in the gold loan industry, major portion of which is still in unorganised sector, with potential to get migrated to organised sector. In order to take advantage of the opportunity, asset management and cost control will be key areas.



### Income Profile:

Your Company is providing excellent services to its valued Customers. The Company has various products tailor made to cater to the requirements of its Customers.

### Retail Loan

The major business of your Company is providing retail loan to the Customers. Income from retail Loan is 78.07 % of the total income of the Company.

### Alternate Energy

Your Company is contributing to a healthier environment and meeting the energy needs of the country by joining hands with Green India Campaign in harnessing wind energy. The installed capacity of Wind Power Generation at the end of the year stood at 23.225 MWs from 19 Wind Turbine Generators. 326 lakhs units of electrical energy was generated by the Wind Turbine Generators contributing about 0.46% towards the Gross Income of the Company.

### Resource mobilisation:

The main source for meeting the Working Capital requirements of the Company is loans from Commercial Banks and other Financial Institutions.

The Banks and other Financial Institutions are providing timely loans at competitive rates. The total amount outstanding against Secured Loans availed by the Company at the end of the reporting year stood at ₹7,43,057 Lakhs as against ₹7,79,777 Lakhs in the Previous Year. The details of Secured Loans outstanding during the years 2014-15 and 2013 - 2014 are given below:

		2014- 2015		2013 - 2014	
	Particulars	₹ in Lakhs	%	₹ in Lakhs	%
<b>A</b>	From Banks				
	Term Loan	17,248	2	24,663	3
	Working Capital Loan	5,27,891	72	5,27,476	68
	Loan against Deposit	0	Nil	0	Nil
<b>B</b>	From Others				
	Secured Debentures	1,73,959	24	2,02,532	26
	Interest payable on loans	13,805	2	15,484	3
	<b>TOTAL</b>	<b>7,32,903</b>	<b>100</b>	<b>7,70,155</b>	<b>100</b>

Your Company issued fully Secured Redeemable Debentures on private placement basis during the year which are secured by a floating charge created on gold loan receivables, both present and future, of the Company.

Your Company has made its maiden successful public issue of fully Secured Redeemable Debentures during the year under report and raised ₹44,115.65 Lakhs.

The total Debenture outstanding as on 31 March 2015 is ₹1,73,959.37 Lakhs.

### Sub Debt

To strengthen the Capital Adequacy Ratio, your Company continued to raise funds through the issue of Subordinated Debt Instruments. The total amount of subordinated debt instruments outstanding as at the end of the Financial Year under report was ₹1,40,106.31 lakhs.

**Human resources**

The Department of Human Resources is committed to excellence in action through the development, delivery and administration of opportunities for staff that helps to attract, retain and develop a diverse workforce in support of the mission of the Company. It also created an environment that allowed all its employees to utilize their full potential. The Department remains committed to work proactively with the diverse workforce in identifying and responding to its changing needs.

The Company aims at building the capacity and capability of its people, help them acquire high level of skills and expertise to realise their full potential. An addition of 7,830 employees were made during the FY (including the fresh and replacement hiring), taking the total employee base to 18,113 as on 31-Mar-2015.

The Leadership Development Programme (MP – LDP) has advanced to its succeeding edition this year and has helped in acquiring the young and best potential talents from top B-Schools based in South India. The pioneering MP-LDP batch which was launched in 2013 has now been nurtured by the expert panel of mentors, imparting them with live business scenarios and projects along with the CSR activities of the Company.

In continuation of the objective of providing steady pipeline of talent in sync with our business needs, the Rural Campus Talent Acquisition Programme has been continued by partnering with a wide network of educational institutions across the country.

The Department continued to implement the new versions of e-HR application i.e. Muthoot Pappachan People Connect which has helped the Company in automation of its HR transactions. It also helped in streamlining the processes and reduced processing time.

Employee recognition has been a critical component of the strategy of the Department. Understanding the value of the employees' contributions, the Department provided Internal Job Progression and Cross Pollination for its employees at regular level.



## Annexure I

# NOMINATION & REMUNERATION POLICY

## Introduction

The Nomination and Remuneration Committee (NRC) has formulated the criteria for determining qualifications, positive attributes and independence of Directors and recommended to the Board a Policy, relating to the remuneration for the Directors, Key Managerial Personnel (KMP) and other employees of the Company in terms of the provisions of Section 178 (3) of the Companies Act, 2013 (the Act).

## I. Criteria for determining qualifications, positive attributes and independence of Directors:

### Qualifications

The nomination process in the NRC/Board is transparent for encouraging diversity of thorough knowledge, experience, age and gender. The candidate shall possess managerial / business / administrative qualifications and experience spread over more than a decade in diverse areas particularly, finance, banking and general management. While recommending the appointment the NRC shall consider the manner in which the function and domain expertise of the individual will contribute to the various functions of the Company.

The candidate shall be free from any disqualifications as provided under Sections 164 and 167 of the Act.

The candidate shall also meet the "Fit and Proper Criteria" as per the "Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions".

### Positive attributes

The Directors on the Board of the Company have to discharge their duties under the Act and other laws diligently and are expected to demonstrate high standards of ethical behavior, strong interpersonal and communication skills and soundness of judgment. Independent Directors are also governed by the "Code for Independent Directors" as given in Schedule IV to the Act.

### Independence

An Independent Director shall meet the criteria for "Independent Director" as laid down in Section 149 of the Act.

## II. Remuneration policy

The Company has adopted the remuneration policy for the Directors, KMPs and other employees pursuant to the provisions of the Act based on the following criteria.

- i. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully.
- ii. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks and;
- iii. Remuneration to Directors, KMPs and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

### **a) Remuneration of Managing Director, Whole Time Director and Manager:**

The Committee while considering the remuneration of the Managing Director, the Whole Time Director and Manager (wherein there is no Managing Director), shall take into consideration the performance of the



Company vis-à-vis the budgets as well as performance of its competitors, the experience of the person, his background, job-profile and suitability, his past remuneration, the comparative remuneration profile in the industry, size of the Company, responsibilities shouldered by the Managing Director / Whole Time Director etc. Any remuneration considered by the Committee shall be in accordance and within the limits stipulated under the Act.

**b) Remuneration of Non-Executive Director (NED)**

- a) The remuneration to the NEDs is restricted to the sitting fees for attending meetings of the Board of Directors/ Committees of the Board.
- b) The Independent Directors of the Company shall be entitled to remuneration restricted to the sitting fees for attending meetings of the Board of Directors/ Committees of the Board provided that any sitting fees paid to the Independent Director shall not be less than the sitting fees paid to NEDs.
- c) Independent Directors shall not be eligible for stock options of the Company, if any.

Any incidental expense incurred by the Directors with relation to the participation in the meetings of the Board and other Committees of the Board shall be reimbursed.

**c) Remuneration of KMPs, Senior Management and Other Employees.**

The Remuneration of the KMPs, Senior Management and Other Employees shall be in accordance with the Policy of the Company which is applicable to the employees. The Committee may consider the remuneration of KMPs, Senior Management and Other Employees keeping in view of the performance of the business/ function under his control and also the contribution of the business/ function under his control towards the overall performance of the Company.

Any amendment to the above policy shall be subject to the prior approval of the NRC and the Board of Directors.





## Annexure II

Information required under section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- a. Ratio of Remuneration of each Director to the median remuneration of all employees of your Company for the financial year 2014-15 is as follows:

Sl No	Name of Director	Ratio of Remuneration of Director to the median remuneration
1	Mr. Thomas John Muthoot	250.00
2	Mr. Thomas Muthoot	150.00
3	Mr. Thomas George Muthoot	3.23
4	Mrs. Janamma Thomas	2.40
5	Mr. R Kamalasanan Nair	2.50
6	Mr. A P Kurian	0.63
7	Mr. A Vikraman	0.63

- b. Details of percentage increase in the remuneration of each Director, CFO and Company Secretary in the financial year 2014-15 is as follows.

There was no increase in the remuneration to Mr. Thomas John Muthoot, Managing Director and Mr. Thomas Muthoot, Executive Director in the financial year 2014-15. As per the terms of their appointment they were eligible for a monthly remuneration of ₹75,00,000 and ₹60,00,000 respectively. Mr. Thomas George Muthoot, Director was eligible for a commission of 1% of the profits of the Company. All the above remuneration were subject to the overall limits of managerial remuneration as per the Companies Act 1956/2013. During the year 2014-15 remuneration were paid to the Directors as detailed below:

Sl No	Name	Designation	Remuneration
1	Mr. Thomas John Muthoot	Managing Director	*₹3,00,00,000
2	Mr. Thomas Muthoot	Executive Director and CFO	**₹1,80,00,000

No commission was paid to Mr. Thomas George Muthoot on his request.

\*Voluntarily claimed only ₹3,00,00,000 against the eligible limit of ₹6,92,27,519

\*\* Voluntarily claimed only ₹1,80,00,000 against the eligible limit of ₹6,92,27,519

The other directors namely Mrs. Janamma Thomas, Mr. R. Kamalasanan Nair, Mr. AP Kurian and Mr. A. Vikraman did not receive any remuneration from the Company other than the sitting fee for attending Board/Committee meetings. The sitting fee for attending Board/Committee meetings was increased from ₹12,500 to ₹25,000 with effect from 07.05.2014.

- c. Percentage increase in the median remuneration of employees in the financial year 2014-15

There was no increase in the median remuneration of employees in the year under report.



- d. **Number of permanent employees on the rolls of the Company as on 31.03.2015:** 8,880.
- e. **Explanation on the relationship between average increase in remuneration and company performance.**  
Not applicable since there was no increase in the remuneration of employees during the year under report.
- f. **Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company.**  
Not applicable since there was no increase in the remuneration of Key Managerial Personnel during the year under report.
- g. **Variation in the market capitalization of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies.**  
Not applicable to the Company since its shares are not listed in any stock exchanges.
- h. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with percentile increase in the managerial remuneration and justification thereof and point out any exceptional circumstances for increase in the managerial remuneration:**  
There was no increase in the salaries of the employees of the Company and managerial personnel during the year under report.
- i. **Comparison of remuneration of each Key Managerial Personnel against the performance of the Company :**  
There was no increase in the salaries of Key Managerial Personnel during the year under report.
- j. **The key parameters of any variable component of remuneration availed by the Directors:**  
Remuneration of Managing Director and Executive Director & CFO are fixed. Commission is payable @ 1% of the profits of the Company to Mr. Thomas George Muthoot. But during the year under report he voluntarily forgone the commission.
- k. **The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year:**  
None of the employees are receiving remuneration in excess of the highest paid Director.
- l. **Affirmation that the remuneration is as per the remuneration policy of the Company:**  
The Company affirms that the remuneration paid is as per the remuneration policy of the Company.



m. Statement containing particulars of employees as required under Section 197(12) of the Act read with rule 5(2) of the Companies (Appointment and remuneration of Managerial Personnel) Rules, 2014 is given below:

Name	Mr. Thomas John Muthoot	Mr. Thomas Muthoot	Mr. George Lamannil	Mr. Sayed Sadaf
Age of the Employee	52	46	58	35
Designation	Chairman & Managing Director	Executive Director & Chief Financial Officer	Executive Director & General Counsel	Chief Operating Officer
Gross Remuneration (₹)	3,00,00,000	1,80,00,000	1,12,86,661	74,01,423
Nature of Employment, whether contractual or otherwise	Permanent	Permanent	Permanent	Permanent
Qualification and Experience	B Com, OPM(Harvard) 30 years	BA, LLB 24 years	BA, LLB 36 years	B.Com, MBA (Finance) 14 years
Date of Commencement of Employment	10.06.1997	10.06.1997	18.07.2011	16.08.2010
Last Employment held	NA	NA	BNP Paribas	Head Audit & Risk Satin Credit Care Pvt Ltd
% of Shareholding	26.35	26.35	NIL	NIL
Whether relative of any Director or manager of the Company and if so, name of such Director or Manager	Mr. Thomas George Muthoot, Mr. Thomas Muthoot, Mrs. Janamma Thomas	Mr. Thomas John Muthoot, Mr. Thomas George Muthoot, Mrs. Janamma Thomas	No	No



Annexure III

## FORM NO. AOC -2

### (Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.)

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 transaction under third proviso thereto.

#### 1. Details of contracts or arrangements or transactions not at Arm's length basis.

There were no contracts or arrangements or transactions entered by the company during the year ended March 31, 2015, which were not at arm's length basis.

#### 2. Details of contracts or arrangements or transactions at Arm's length basis.

Sl No	Name (s) of the Related Party	Nature of Arrangements & Nature of Relationship	Duration of the Arrangements	Salient terms of the Arrangements	Date of approval by the Board/ EGM	Amount paid as advances, if any
1	Muthoot Exim Pvt Ltd (MEPL)	Service Agreement - Group Company	5 years	Selling of precious metals and other products owned or distributed by MEPL by utilising the branch network, Man power and other infrastructure of MFL on commission basis	07-05- 2014	Nil
2	Muthoot Risk Insurance & Broking Services Pvt Ltd.(MRIBS)	Space Sharing Agreement - Group Company	10 years	Letting out of office space at First Floor, TC 15/1897(1) Near Geethanjali Hospital Vazhuthacaud to MRIBS	07-05- 2014	Nil
3	MPG Hotels and Infrastructure Ventures Pvt Ltd. (MHIVPL)	Space Sharing Agreement - Group Company	11 Months	Letting out of office space at Second Floor, TC 15/1897(1) Near geethanjali Hospital Vazhuthacaud to MHIVPL	07-05- 2014	Nil
4	Muthoot Pappachan Chits (India) Pvt Ltd (MPCIPL)	Service Agreement - Group Company	5 years	Distribution and collection of application forms by utilising the branch network and other infrastructure of MFL	25-08-2014 (EGM)	Nil
5	Muthoot Pappachan Chits (India) Pvt Ltd (MPCIPL)	Space Sharing Agreement - Group Company	40 Months	Letting out of 400 sq.ft of office space at First Floor, Choolaimedu High Road, Choolaimedu, Chennai 600 094 to MPCIPL	29-10-2014 (EGM)	Nil
6	Muthoot Housing Finance Company Ltd (MHFCL)	Leave & License Agreement - Subsidiary Company	5 years	Renewal of Leave & License Agreement with MHFCL for sharing 1200 Sq.ft of its Office space at BKC, Bandra East Mumbai	27-11-2014	Nil



7	Muthoot Housing Finance Company Ltd (MHFCL)	Space Sharing Agreement - <i>Subsidiary Company</i>	85 Months	Revision of Space Sharing Agreement with MHFCL for additional space of 300 Sq.ft of its Office space at Chithrakoot, Jaipur Branch	27-11-2014	Nil
8	Muthoot Pappachan Chits (India) Pvt Ltd (MPC IPL)	Space Sharing Agreement- <i>Group Company</i>	10 years	Letting out of 350 sq.ft of office space at Ground Floor Door No 10/243-2 PC Tower, College Road Tharekkad Jn., Head Post Office PO, Palakkad 678001 to MPC IPL	27-11-2014	Nil
9	Muthoot Estate Investments (MEI)	Purchase Agreement <i>Group Firm</i>	N.A	Purchase of property at Kadakkal - Kollam, Kadakkavoor - Attingal, Vembayam - Trivandrum, Bharathanoor-Nedumangaud, Panchamood-Neyyattinkara, Pazhakutty-Nedumangaud, Pazhayakada-Neyyattinkara, Chewara	27-11-2014	Nil
10	MPG Hotels & Infrastructure Ventures Private Limited (MHIVPL)	Service Agreement <i>Group Company</i>	5 Years	Issue of privilege cards to high value Customers at Hilton Garden Inn and Villa Maya	27-11-2014	Nil
11	Muthoot Hotels Private Limited (MHPL)	Service Agreement <i>Group Company</i>	5 Years	Issue of privilege cards to high value Customers at Vivanta by Taj, Kovalam	27-11-2014	Nil
12	Muthoot Housing Finance Company Ltd. (MHFCL)	Space Sharing Agreement - <i>Subsidiary Company</i>	89 Months	Letting out of 128 sq.ft of office space at TrikonBaug Rajkot Branch to MHFCL	27-03-2015	Nil
13	Muthoot Exim Pvt Ltd (MEPL)	Franchisee Agreement - <i>Group Company</i>	3 years	Renewal of franchisee agreement for Purchasing foreign Currency under AD Cat. II License for a further period of 3 years	27-03-2015	Nil
14	Mr. Thomas John Muthoot Mr. Thomas George Muthoot Mr. Thomas Muthoot	Space Sharing Agreement - <i>Directors of the company</i>	5 years	Hiring office space at 5th (1489 Sq.ft) and 3rd (825 Sq.ft) floors of Muthoot Towers, MG Road, Ernakulam	27-03-2015	Nil
15	Muthoot Pappachan Technologies Ltd (MPT)	Loan Agreement- <i>Subsidiary Company</i>	5 years	Sanctioning a loan of Rs. 15 Crs to MPT	27-03-2015	Nil
16	Muthoot Exim Pvt Ltd (MEPL)	Lease Agreement - <i>Group Company</i>	78 Months	Sub lease of space of 1000 sq.ft at T Nagar, Chennai to MEPL	27-03-2015	Nil

For and on the behalf of the Board of Directors  
sd/-

(Thomas John Muthoot)  
Chairman & Managing Director

Trivandrum  
31.07.2015



## Form No. MR-3

### SECRETARIAL AUDIT REPORT

### FOR THE FINANCIAL YEAR ENDED 31.03.2015

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
**Muthoot Fincorp Limited**  
Muthoot Centre, TC No 14/2074- 7  
Punnen Road, Trivandrum  
Kerala - 695039

We, SVJS & Associates, Company Secretaries, have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s Muthoot Fincorp Limited [CIN: U65929KL1997PLC011518]** (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 Company'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 31<sup>st</sup> March, 2015 complied with the statutory provisions listed hereunder 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 Fincorp Limited for the financial year ended on 31<sup>st</sup> March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Companies Act, 1956 (to the extent applicable) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent applicable;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, to the extent applicable;
  - b. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - c. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (vi) Prevention of Money Laundering Act, 2002 and the Regulations and Bye-laws framed thereunder.
- (vii) As informed to us, the following Regulations and Guidelines prescribed under the Reserve Bank of India Act, 1934 applicable to Non-Banking Financial Companies (Non Deposit Accepting or Holding) are specifically applicable to the Company:



- a. Non-Banking Financial Companies (Non- Deposit accepting or holding) Companies Prudential Norms (Reserve Bank) Directions, 2007
- b. Non-Banking Financial Companies Auditors' Report (Reserve Bank) Directions, 2008;
- c. Reserve Bank of India (Non-Banking Financial Companies) Returns Specifications, 1997;
- d. Guidelines for Asset-Liability Management (ALM) system in Non-Banking Financial Companies;
- e. Frauds- Future Approach towards monitoring of Frauds in Non-Banking Financial Companies;
- f. Know Your Customer (KYC) Guidelines- Anti Money Laundering Standards;
- g. Fair Practice Code;
- h. Corporate Governance;
- i. Regulation of excessive interest charged by NBFCs;
- j. Miscellaneous Instructions to all Non-Banking Financial Companies;
- k. Guidelines for issue of Commercial Paper;
- l. Reserve Bank Commercial Paper Directions, 2012;

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (Not notified hence not applicable to the Company during the audit period).
- (ii) The Debt Listing Agreement entered into by the Company with Bombay Stock Exchange Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

### We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and 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.

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.

All decisions of the Board were unanimous and the same was captured and recorded as part of the 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 during the audit period:

- (i) The Company has passed a special resolution under section 180 of the Companies Act, 2013 at its Annual General Meeting held on 3<sup>rd</sup> June 2014, for borrowings to a sum not exceeding 40 times of the aggregate of the Paid-up Share Capital and Free Reserves of the Company, at any time;
- (ii) The Company has made a Public Issue of Secured Redeemable Non-Convertible Debentures through the prospectus issued dated 25.06.2014, aggregating to ₹200 Crores;
- (iii) The Company has made a Public Issue of Secured & Unsecured Redeemable Non-Convertible Debentures through the prospectus issued dated 04.09.2014, aggregating to ₹300 Crores;
- (iv) The Company has made Private placement of Secured Redeemable Non-Convertible Debentures through issue of Private Placement Offer Letters dated 05.06.2014, 24.07.2014, 20.10.2014, 14.01.2015, 16.02.2015 and 02.03.2015 aggregating to ₹50 Crores.





We further report that during the period there were no instances of:

- (i) Public/Right/Preferential issue of shares/sweat equity.
- (ii) Redemption/buy-back of securities
- (iii) Merger/amalgamation/reconstruction, etc.
- (iv) Foreign technical collaborations.

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

Kochi  
31.07.2015

For SVJS & Associates  
Company Secretaries

sd/-  
CS Sivakumar P.  
Managing Partner  
CP No:2210  
FCS:3050

**'Annexure A'**

To,  
The Members,  
Muthoot Fincorp Limited

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

1. Maintenance of the Secretarial records is the responsibility of the management of the Company. Our responsibility as Secretarial Auditors is to express an opinion on these records, based on our audit.
2. During the audit, we have followed the practices and process as were appropriate, to obtain reasonable assurance about the correctness of the contents of the Secretarial records. We believe that the process and practices we followed provide a reasonable basis for our report.
3. The correctness and appropriateness of financial records and Books of Accounts of the Company have not been verified.
4. Where ever 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 etc. is the responsibility of management. Our examination was limited to the verification of the procedures and compliances on test basis.
6. While forming an opinion on compliance and issuing the Secretarial Audit Report, we have also taken into consideration the compliance related actions taken by the Company after 31st March 2015 but before issue of the Report.
7. We have considered actions carried out by the Company based on independent legal/professional opinion as being in compliance with law, wherever there was scope for multiple interpretations, especially since the financial year ended 31st March 2015 was the first full financial year in which the Companies Act, 2013 has become operational.

For SVJS & Associates  
Company Secretaries

sd/-  
CS Sivakumar P.  
Managing Partner  
CP No:2210  
FCS:3050

Kochi  
31.07.2015



## Form No. MGT-9 EXTRACT OF ANNUAL RETURN

**as on the financial year ended 31st March 2015**

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

### I. REGISTRATION AND OTHER DETAILS:

i)	CIN	U65929KL1997PLC011518
ii)	Registration Date	10/06/1997
iii)	Name of the Company	<b>MUTHOOT FINCORP LIMITED</b>
iv)	Category / Sub-Category of the Company	Public Company / Limited by share
v)	Address of the Registered office and contact details	Muthoot Centre, TC NO 14/2074- 7, Punnen Road, Trivandrum – 695039, Kerala
vi)	Whether listed company	No
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	<b>Integrated Enterprises (India) Limited</b> II Floor, Kences Towers, No. 1 Ramakrishna Street, North, Usman Road, T Nagar, Chennai 600 017, Tel: +91 (44) 2814 0801 - 803

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY -

Sl. No	Name and Description of main products / services	NIC Code of the Product / Service	% to total turnover of the company
1	Retail Loan	6592	93.62

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

Sl. No	Name and Address of the Company	CIN	Holding/ Subsidiary / Associate	% of Shares held
1.	Muthoot Housing Finance Company Limited	U65922KL2010PLC025624	Subsidiary Company	66.62
2.	Muthoot Microfin Limited	U65190MH1992PLC066228	Subsidiary Company	94.55
3.	Muthoot Pappachan Technologies Limited	U72200KL2012PLC032664	Subsidiary Company	60



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

### A) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2014]				No. of Shares held at the end of the year [As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	18,65,62,700	0	18,65,62,700	100	18,65,62,700	0	18,65,62,700	100	-
b) Central Govt	0	0	0	0	0	0	0	-	-
c) State Govt(s)	0	0	0	0	0	0	0	-	-
d) Bodies Corp.	0	0	0	0	0	0	0	-	-
e) Banks / FI	0	0	0	0	0	0	0	-	-
f) Any other	0	0	0	0	0	0	0	-	-
Sub- Total (A)(1)	18,65,62,700	0	18,65,62,700	100	18,65,62,700	0	18,65,62,700	100	-
(2) Foreign									
a) NRIs - Individual	0	0	0	0	0	0	0	-	-
b) Other – Individual	0	0	0	0	0	0	0	-	-
c) Bodies Corp-	0	0	0	0	0	0	0	-	-
d) Banks/FI	0	0	0	0	0	0	0	-	-
e) Any other	0	0	0	0	0	0	0	-	-
Sub- Total (A)(2)	0	0	0	0	0	0	0	-	-
Total Shareholding of Promoter (A)=(A)(1)+(A)(2)	18,65,62,700	0	18,65,62,700	100	18,65,62,700	0	18,65,62,700	100	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	-	-
b) Banks / FI	0	0	0	0	0	0	0	-	-
c) Central Govt	0	0	0	0	0	0	0	-	-
d) State Govt(s)	0	0	0	0	0	0	0	-	-
e) Venture Capital Funds	0	0	0	0	0	0	0	-	-
f) Insurance Companies	0	0	0	0	0	0	0	-	-
g) FIs	0	0	0	0	0	0	0	-	-
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	-	-
i) Others	0	0	0	0	0	0	0	-	-
Sub-total (B)(1):-	0	0	0	0	0	0	0	-	-



2. Non-Institutions									
a) Bodies Corp.									
i) Indian	0	0	0	0	0	0	0	-	-
ii) Overseas	0	0	0	0	0	0	0	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital up to ₹1 lakh	0	0	0	0	0	0	0	-	-
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	0	0	0	0	0	0	0	-	-
c) Others (specify)	0	0	0	0	0	0	0	-	-
<b>Sub-total (B)(2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>-</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>-</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>-</b>
<b>Grand Total (A+B+C)</b>	<b>18,65,62,700</b>	<b>0</b>	<b>18,65,62,700</b>	<b>100</b>	<b>18,65,62,700</b>	<b>0</b>	<b>18,65,62,700</b>	<b>100</b>	<b>-</b>

**B) Shareholding of Promoter-**

Sl. No	Shareholder's Name	Shareholding at the beginning of the year			Share holding 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	Thomas John Muthoot	4,91,66,416	26.35	0	4,91,66,416	26.35	0	0
2	Thomas George Muthoot	4,91,66,416	26.35	0	4,91,66,416	26.35	0	0
3	Thomas Muthoot	4,91,66,416	26.35	0	4,91,66,416	26.35	0	0
4	Preethi John Muthoot	1,30,20,818	6.98	0	1,30,20,818	6.98	0	0
5	Nina George	1,30,20,817	6.98	0	1,30,20,817	6.98	0	0
6	Remy Thomas	1,30,20,817	6.98	0	1,30,20,817	6.98	0	0
7	Janamma Thomas	1,000	0.001	0	1,000	0.001	0	0
	<b>Total</b>	<b>18,65,62,700</b>	<b>100</b>	<b>0</b>	<b>18,65,62,700</b>	<b>100</b>	<b>0</b>	<b>0</b>



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

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	There is no changes in the shareholding of the promoters during the year			
	At the end of the year				

**D). Shareholding Pattern of top ten Shareholders:**

(Other than Directors, Promoters and Holders of GDRs and ADRs): Nil

**E) Shareholding of Directors and Key Managerial Personnel:**

Sl. No	For Each of the Directors and KMP	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
1.	Thomas John Muthoot- (Managing Director and KMP)				
	At the beginning of the year	4,91,66,416	26.35	4,91,66,416	26.35
	At the end of the year	4,91,66,416	26.35	4,91,66,416	26.35
2.	Thomas George Muthoot - (Non-Executive Director)				
	At the beginning of the year	4,91,66,416	26.35	4,91,66,416	26.35
	At the end of the year	4,91,66,416	26.35	4,91,66,416	26.35
3.	Thomas Muthoot - (Executive Director and CFO (KMP))				
	At the beginning of the year	4,91,66,416	26.35	4,91,66,416	26.35
	At the end of the year	4,91,66,416	26.35	4,91,66,416	26.35
4.	Janamma Thomas (Non- Executive Director)				
	At the beginning of the year	1,000	0.001	1,000	0.001
	At the end of the year	1,000	0.001	1,000	0.001
5.	R Kamalasanan Nair - (Independent Director)				
	At the beginning of the year	0	0	0	0
	At the end of the year	0	0	0	0
6.	A.P Kurian - (Independent Director)				
	At the beginning of the year	0	0	0	0
	At the end of the year	0	0	0	0
7.	Vikraman Ampalakat - (Independent Director)				
	At the beginning of the year	0	0	0	0
	At the end of the year	0	0	0	0
8.	T.D Mathai - (Company Secretary and KMP)				
	At the beginning of the year	0	0	0	0
	At the end of the year	0	0	0	0



## 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
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	7,54,371.59	1,16,709.00	-	8,71,080.59
ii) Interest due but not paid	1,979.18	123.33	-	2,102.51
iii) Interest accrued but not due	10,761.90	12,269.25	-	23,031.15
<b>Total (i+ii+iii)</b>	<b>7,67,112.67</b>	<b>1,29,101.58</b>	<b>-</b>	<b>8,96,214.25</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	45,145.81	47,431.17	-	92,576.98
* Reduction	82,389.15	120.97	-	82,510.12
<b>Net Change</b>	<b>(37,243.34)</b>	<b>47,310.20</b>	<b>-</b>	<b>10,066.86</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	7,15,999.57	1,54,556.31	-	8,70,555.88
ii) Interest due but not paid	1,829.15	217.50	-	2,046.65
iii) Interest accrued but not due	12,040.61	21,637.97	-	33,678.58
<b>Total (i+ii+iii)</b>	<b>7,29,869.33</b>	<b>1,76,411.78</b>	<b>-</b>	<b>9,06,281.11</b>

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

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		
		Mr. Thomas John Muthoot	Mr. Thomas Muthoot	Total Amount
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3,00,00,000	1,80,00,000	4,80,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0	0
2	Fee for attending Board/Committee Meetings	0	0	0
3	Stock Option	0	0	0
4	Sweat Equity	0	0	0
5	Commission - as % of profit	0	0	0
6	Others, please specify	0	0	0
	<b>Total (A)</b>	<b>3,00,00,000</b>	<b>1,80,00,000</b>	<b>4,80,00,000</b>
	Ceiling as per the Act	6,92,27,519	6,92,27,519	13,84,55,038




**B. Remuneration to other directors**

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
	<b>Independent Directors</b>	<b>Mr. R. Kamalasanan Nair</b>	<b>Mr. A.P Kurian</b>	<b>Mr. A. Vikraman</b>	
1	Fee for attending Board /Committee Meetings	3,00,000	75,000	75,000	4,50,000
	Commission	0	0	0	0
	Others, please specify	0	0	0	0
	<b>Total (1)</b>	<b>3,00,000</b>	<b>75,000</b>	<b>75,000</b>	<b>4,50,000</b>
2	<b>Other Non-Executive Directors</b>	<b>Ms. Janamma Thomas</b>	<b>Mr. Thomas George Muthoot</b>		
	Fee for attending Board/ Committee Meetings	2,87,500	3,87,500		6,75,000
	Commission	0	0		0
	Others, please specify	0	0		0
	<b>Total (2)</b>	<b>2,87,500</b>	<b>3,87,500</b>		<b>6,75,000</b>
	<b>Total (B)=(1+2)</b>				<b>11,25,000</b>
	Total Managerial Remuneration*			4,91,25,000	
	Overall Ceiling as per the Act			15,23,00,542	

\*Includes sitting fee paid amounting to Rs.11,25,000

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. T.D Mathai, (Company Secretary)	Mr. Thomas Muthoot, (Chief Financial Officer*)	Total Amount
	Gross salary			
1	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	15,24,044	0	15,24,044
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission - as % of profit	0	0	0
5	Others, please specify	0	0	0
	<b>Total</b>	<b>15,24,044</b>	<b>0</b>	<b>15,24,044</b>

\*Remuneration paid to Mr. Thomas Muthoot (Executive Director & CFO) during the Financial Year 2014-15 is shown under Remuneration to Managing Director, Whole-time Directors and/or Manager



## 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	Nil				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	Nil				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	Nil				
Punishment					
Compounding					



## Annexure VI

## ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2014-'15

## 1. A brief outline of the company's CSR policy:

The CSR programs of Muthoot Fincorp Ltd. are bound by the theme HEEL: Health, Education, Environment, Livelihood. MFL will be leading its CSR initiative within the HEEL framework, specifically involving its stakeholders, majorly staff and its customers.

Aligning with the vision of the company, MFL, will continue increasing value creation in the community in which it operates, through its services and CSR initiatives planned and implemented by Muthoot Pappachan Foundation, so as to stimulate well-being for the community, in fulfillment of its role as a responsible, corporate citizen.

The objective of the MFL CSR Policy is to:

- Build a framework of CSR activities with a philanthropic approach in line with business unit objectives, which also benefits the organization at large;
- Shape sustainability for the organization by 'Engaging the Community.'
- Build a corporate brand through CSR
- For other stakeholders make it "an integral part of the company's DNA, so much so that it has to be an organic part of the business".

The over-arching framework of HEEL, which will not only guarantee consistency but also full compliance with the CSR requirements mandated by the Companies Act 2013. Special attention is taken to ensure that these initiatives are corresponding to the Schedule VII activities given in the CSR Rules and adhere to its guidelines. HEEL will allow MFL to remain focused on selected issues while adopting a systematic and professional approach to its work.

2. The Composition of the CSR Committee as on 31<sup>st</sup> March 2015 is as follows.

Mr. Kamalasanan Nair (Independent Director & Chairman)  
 Mr. Thomas John Muthoot  
 Mr. Thomas George Muthoot  
 Mr. Thomas Muthoot

## 3. Average net profit of the company for last three financial years 284.67 Cr

## 4. Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above) 5.69 Cr

## 5. Details of CSR spent during the financial year.

- a) Total amount to be spent for the financial year; Rs.5,69,33,333
- b) Amount unspent, if any; Rs.4,34,43,661
- c) Manner in which the amount spent during the financial year is detailed below.



(1) Sl. No	(2) CSR project or activity identified.	(3) Sector in which the Project is covered	(4) Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	(5) Amount outlay (budget) project or programs wise	(6) Amount spent on the projects or Programs Subheads: (1) Direct expenditure on projects or programs. (2) Overheads:	(7) Cumulative expenditure upto to the reporting period	(8) Amount spent: a) Direct or b) through implementing agency *
1	Muthoot Life Blood Directory	Health	Pan India	3,00,000	65,000	65,000	a) 65,000 b) NIL
2	Cleft Surgery Mission (Operation Smile)	Health	Kerala/ Tamilnadu	1,75,00,000	56,97,115	56,97,115	a) 17,47,115 b) 39,50,000
3	Physical & Medical Rehabilitation Centre	Health	Kerala	35,00,000	34,79,200	34,79,200	a) NIL b) 34,79,200
4	Treatment Support	Health	Pan India	12,00,000	8,57,040	8,57,040	a) 5,12,919 b) 3,44,121
5	Medical Camps	Health	Pan India	2,75,000	17,225	17,225	a) 17,225 b) NIL
6	Village Adoption - Community Education Projects	Education	1. Konni (Pathanamthitta Dist, Kerala) 2. Panathura (Trivandrum Dist, Kerala)	25,00,000	2,57,064	2,57,064	a) NIL b) 2,57,064
7	MPF Scholarship Scheme	Education	Kerala	20,00,000	-	-	-
8	Educational Assistance Projects	Education	Kerala	11,81,666	-	-	-
9	Sports	Livelihood	Kerala	26,00,000	8,50,000	8,50,000	a) NIL b) 8,50,000
10	Slum Development/ Rural Activities/ Housing Assistance	Rural Development	Kerala	59,50,000	74,000	74,000	a) 74,000 a) NIL
11	Environment Projects	Environment	Pan India	28,46,667	-	-	-
12	Need based programmes (Regional)	Health/ Education/ Rural Development	Pan India	28,46,667	-	-	-
13	Branch Based programmes (Local)	Health/ Education/ Rural Development	Pan India	28,46,667	-	-	-
14	Admin/ Governance, Training & Travel/ Supporting Activities/ Consultation/Audit charges			56,93,333	21,93,028	21,93,028	a) 21,93,028 b) NIL
15	Corpus / General CSR Expenses			56,93,333	-	-	-
	<b>TOTAL</b>			<b>5,69,33,333</b>	<b>1,34,89,672</b>	<b>1,34,89,672</b>	<b>1,34,89,672</b>

\*Details of implementing agency:



Direct implementing agency: Muthoot Pappachan Foundation (Charitable Trust)

Partnership NGOs:

- A. Education:
  - Rajagiri Outreach Service Society (Charitable Trust)
- B. Health:
  - Operation Smile India (Charitable Trust)
  - Aashiana Charitable & Educational Trust (Charitable Trust)
- C. Livelihood:
  - Ernakulam Cricket Club (Charitable Trust)
6. Explanation for unspent amount:

As the reporting period is the first year of implementation of 2% mandatory CSR spent, the programmes and partnerships are being developed by our Foundation towards impactful CSR interventions. Some of the flagship programmes are started and are proceeding efficiently in field, benefiting many deserving people; while some others are half way through. But we ensure that the company will continue the CSR programme and completely utilise the 2% PBT funds towards the planned programmes as it proceeds to actualisation.

7. Responsibility Statement

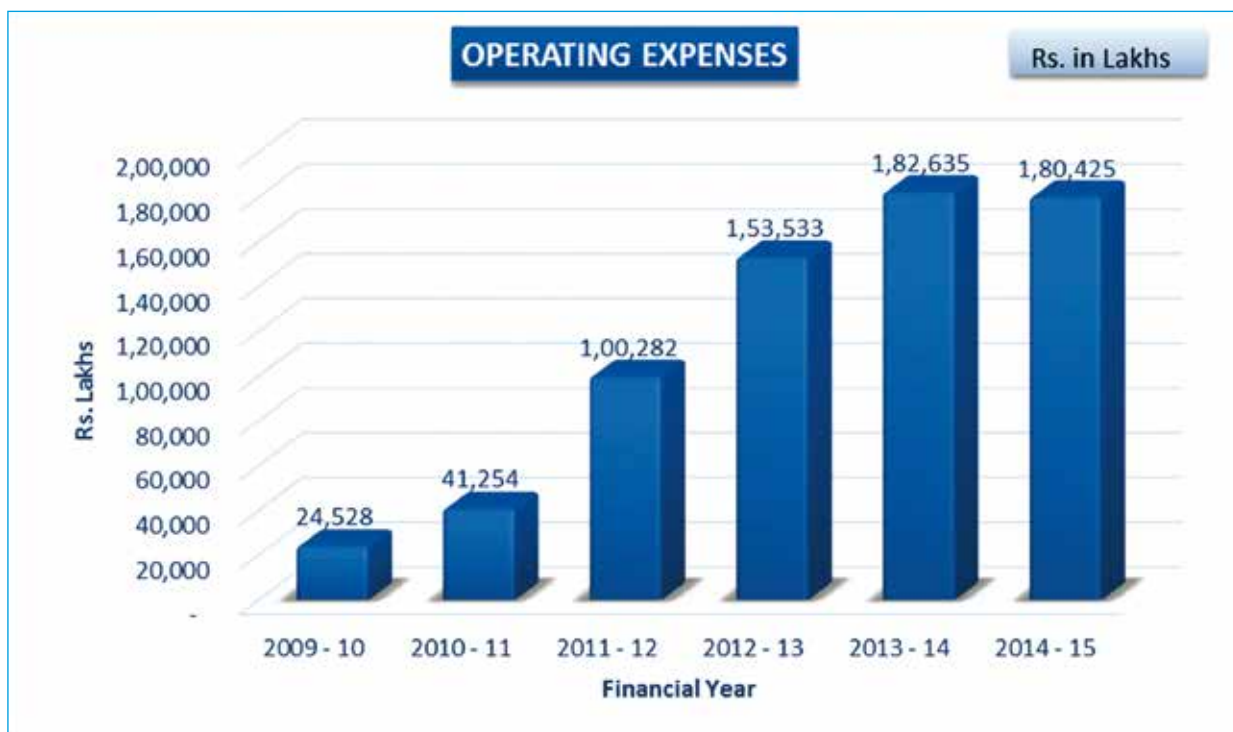
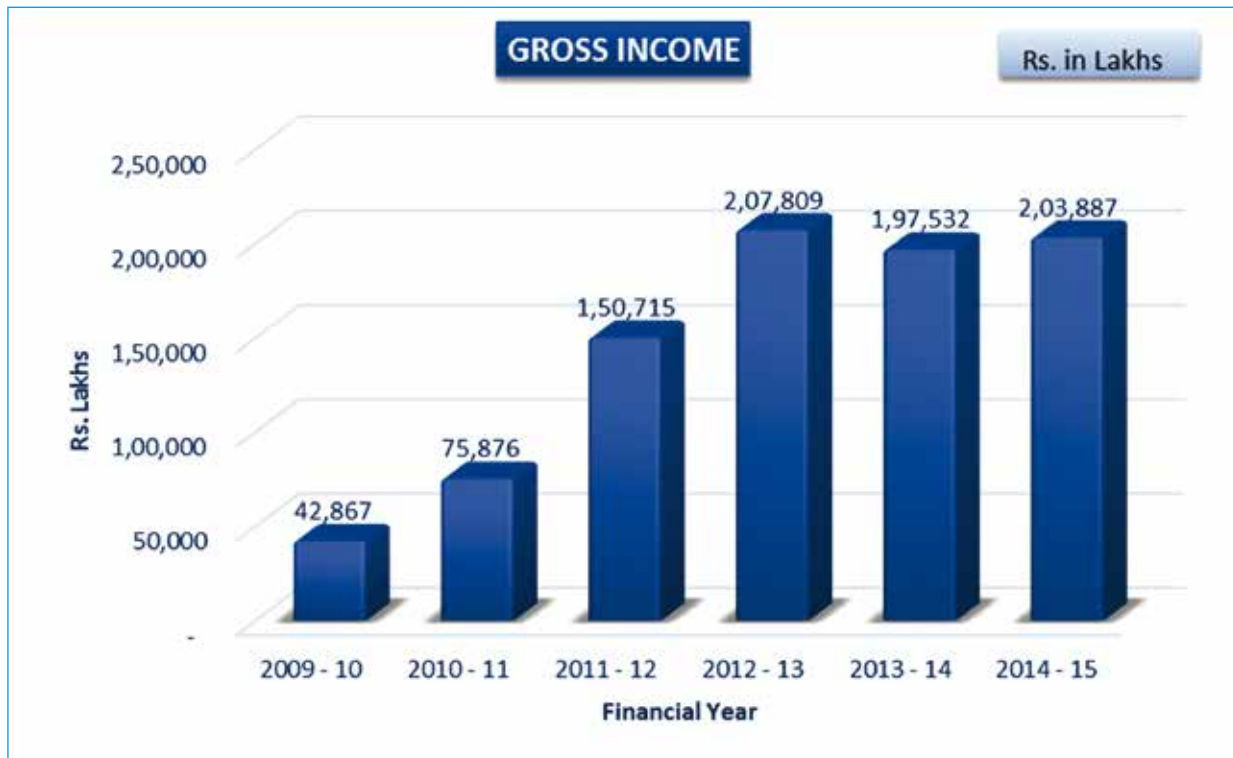
The CSR Committee hereby confirms that the CSR initiative implemented by Muthoot Fincorp Ltd. through its Foundation during the reporting period is in compliance with CSR objectives and Policy of the company. The CSR Committee regularly monitor the field implementation of the planned activities ensuring that it is in due adherence to the Companies Act and the approved CSR Policy.

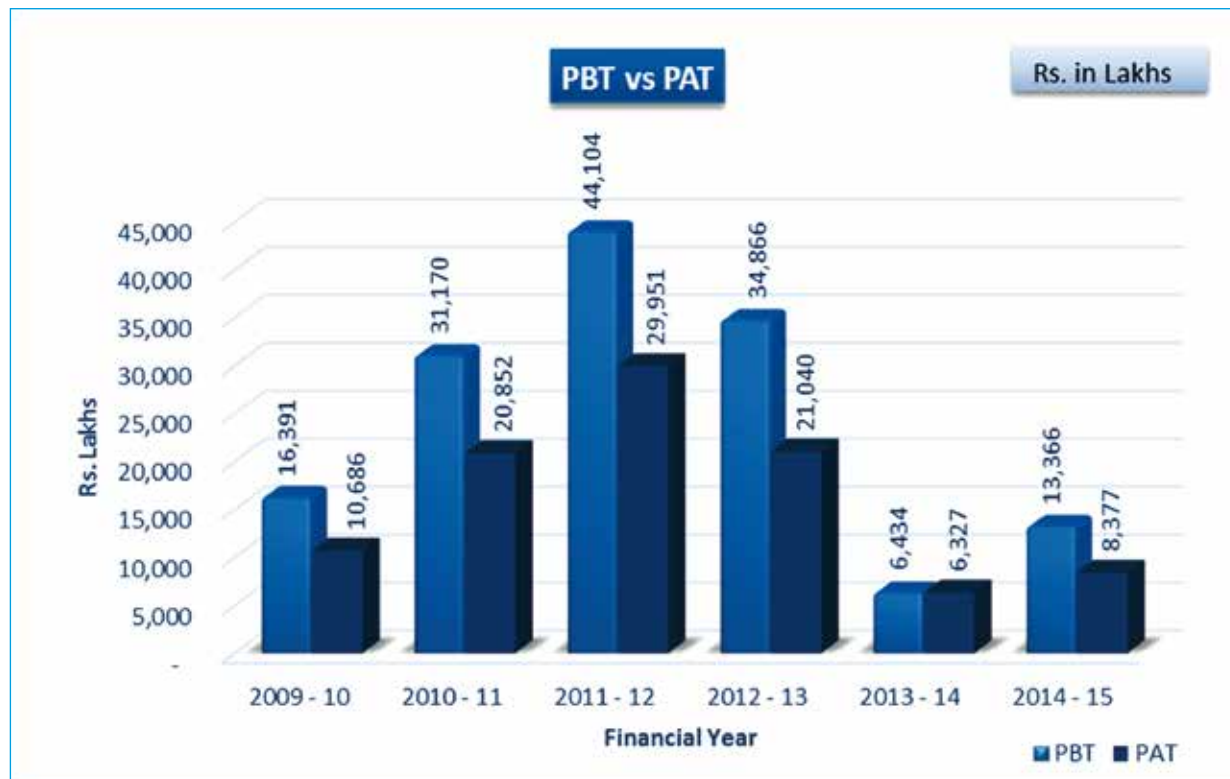
sd/-  
(Thomas John Muthoot)  
Managing Director

sd/-  
(R Kamalasanan Nair)  
Chairman CSR Committee



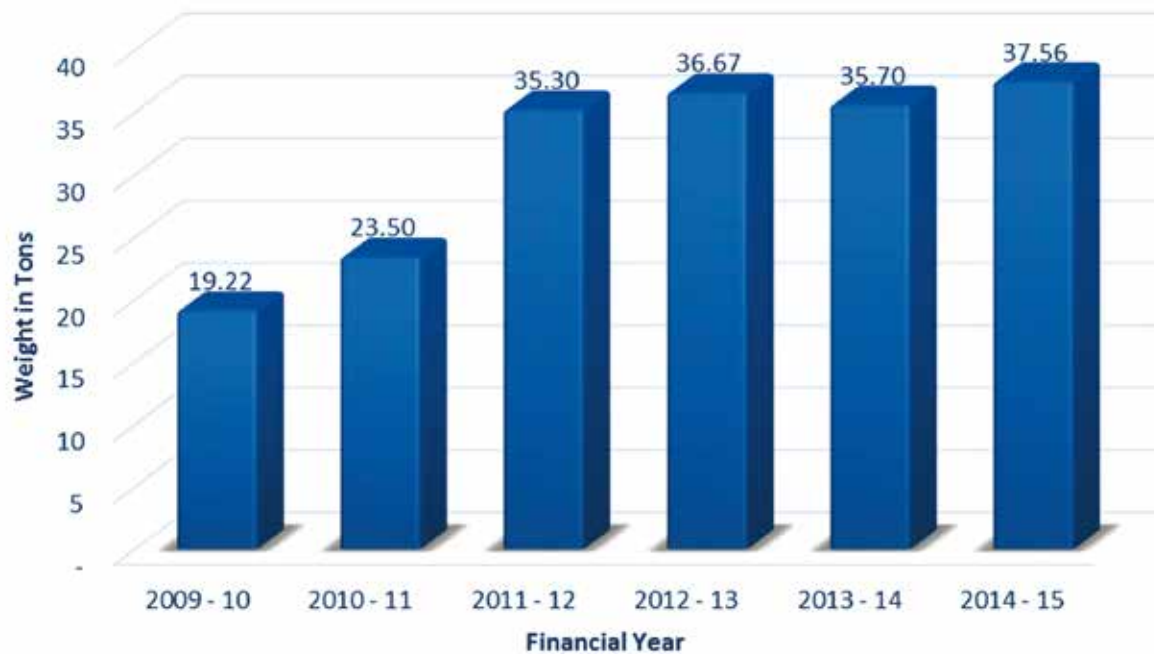
## FINANCIAL INDICATORS



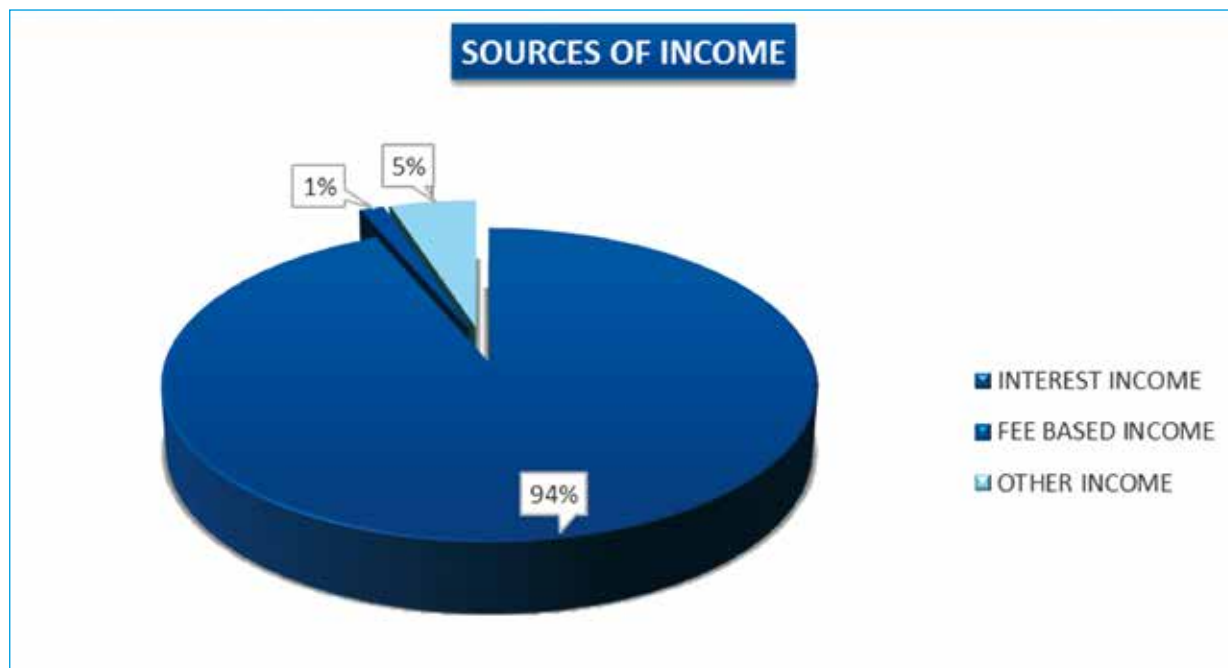


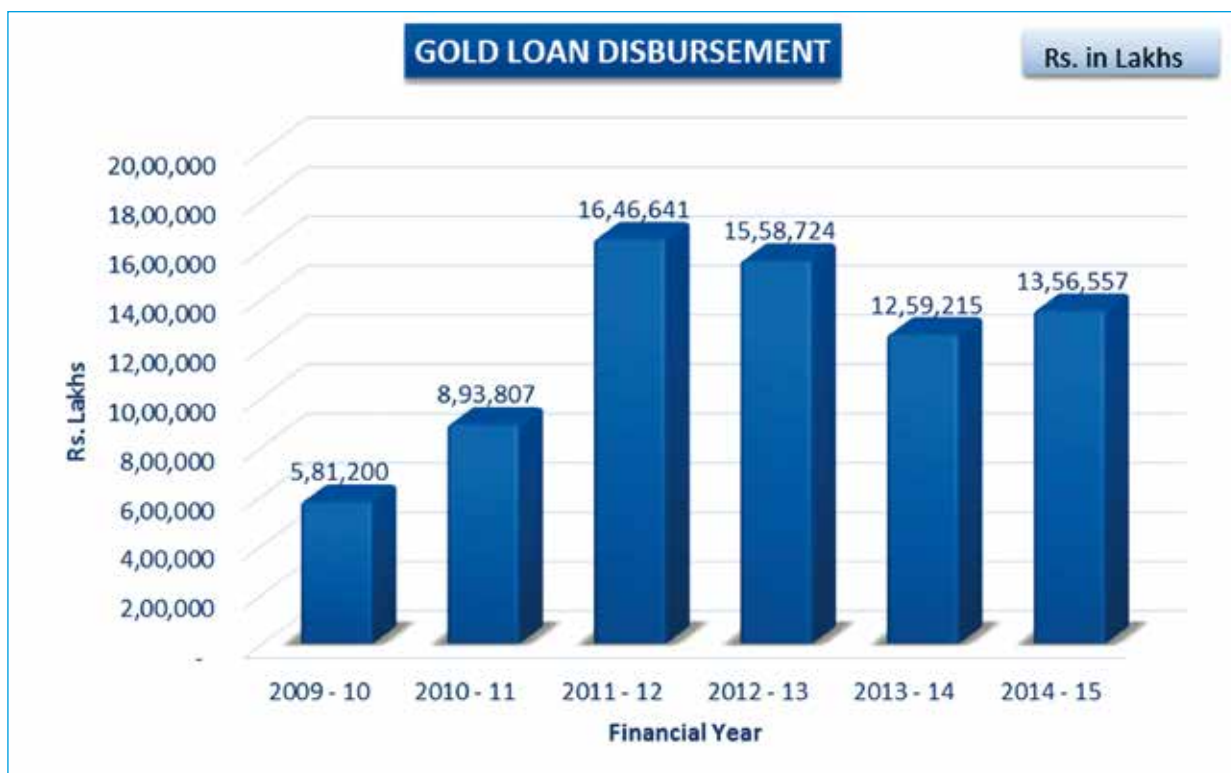
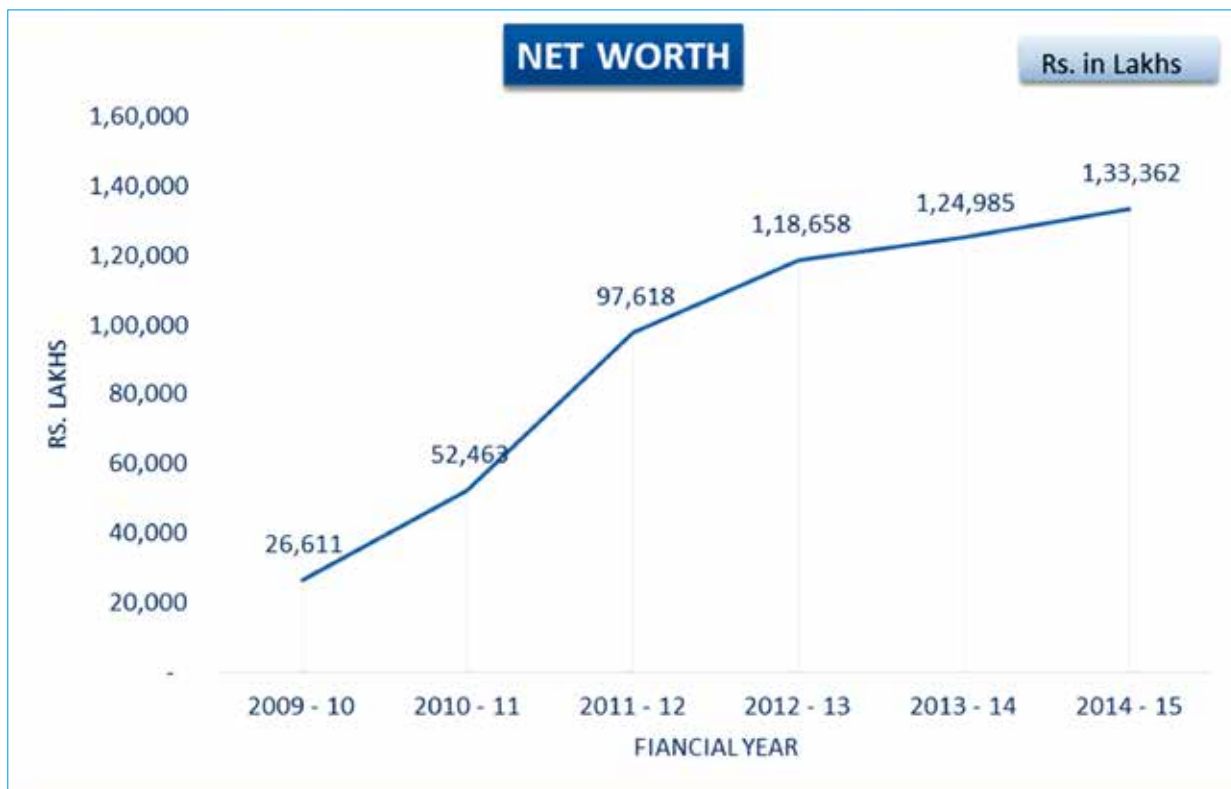
**CAPITAL ADEQUACY RATIO****GOLD HOLDINGS**

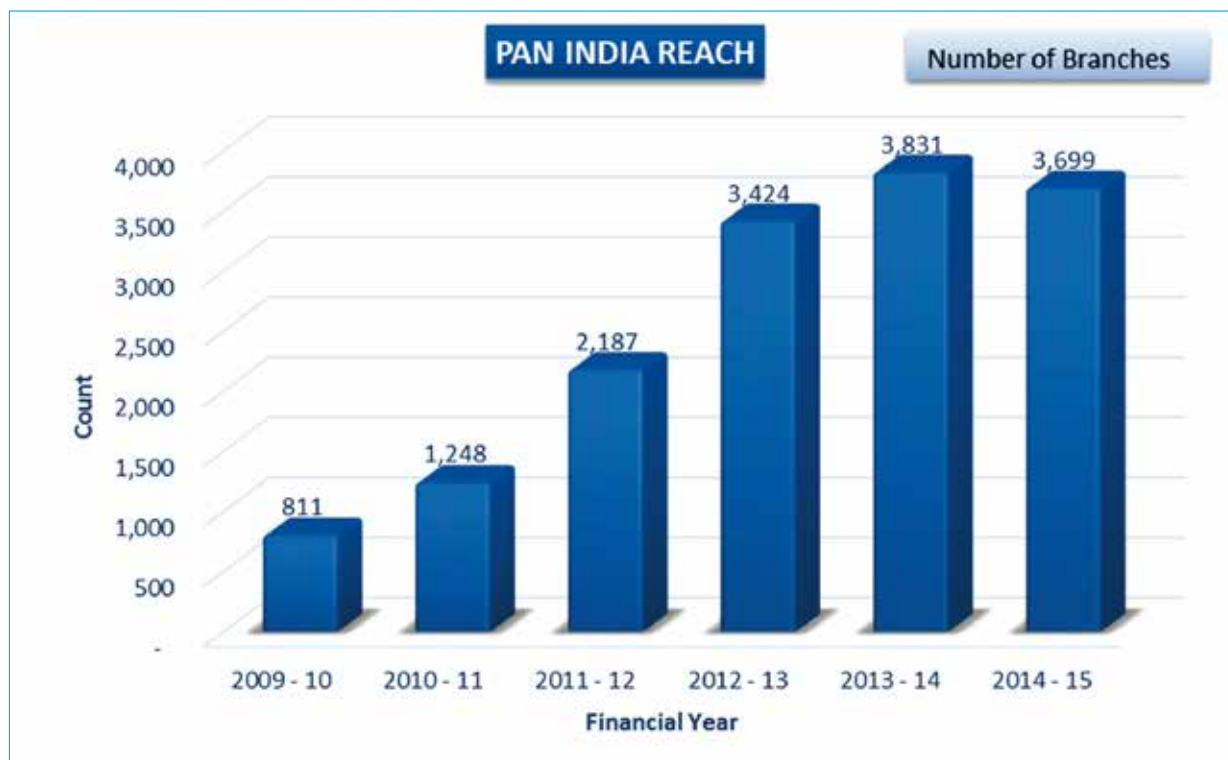
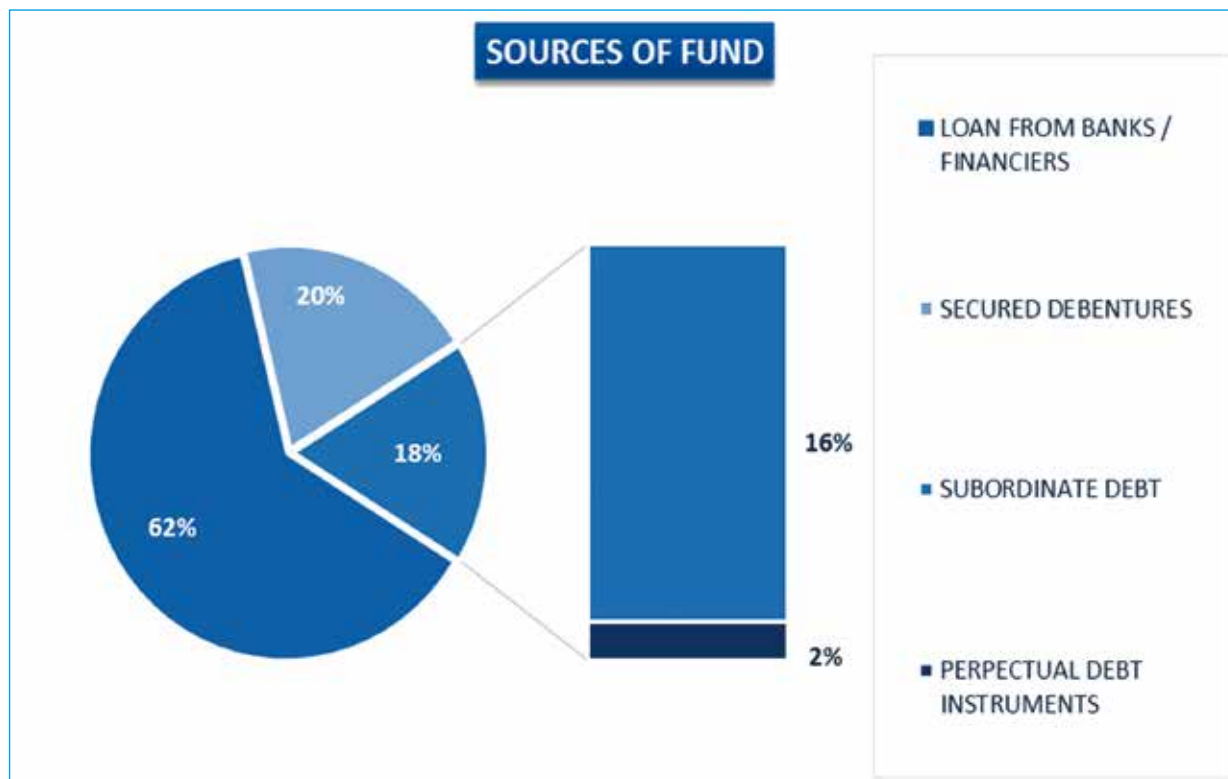
in Tons













A CHERIAN & ASSOCIATES  
Chartered Accountants

Puthuparampil, Manganam P.O., Kottayam - 686018  
Phone: 0481- 2575155, Mobile: 9847063828  
email: abrahamcherian06@yahoo.com

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MUTHOOT FINCORP LIMITED

### Report on the standalone financial statements

1. We have audited the accompanying standalone financial statements of Muthoot Fincorp Ltd. (herein after referred to as 'the Company'), which comprise the Balance Sheet as at 31 March 2015, the Statement of Profit and Loss, 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

2. 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 to 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, read with rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the Accounting Standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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.
7. 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

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements together with the notes thereon 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 31 March 2015, and its profit and its cash flows for the year ended on that date.

## Emphasis of Matter

Attention is invited to:

1. Note (e) under Statement of Significant Accounting Policies to the Standalone Financial Statements regarding the change in method of depreciation adopted by the company.

Our opinion is not modified in respect of this matter.

## Report on other legal and regulatory requirements

9. As required by 'the Companies (Auditors' Report) Order, 2015', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the 'Order'), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

10. 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 have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from the branches not visited by us.
- (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.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31 March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditors' Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
  - i. The Company has disclosed the impact, if any, of pending litigations as at 31 March 2015, on its financial position in its standalone financial statements;
  - ii. The Company did not have any foreseeable losses on long-term contracts including derivative contracts, if any, in respect of which any provision is required to be made under the applicable law and Accounting Standards;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2015.

Place: Thiruvananthapuram  
Date: July 30, 2015

For A Cherian & Associates,  
Chartered Accountants,  
Firm Regn. No. – 0114565

sd/-  
CA. Abraham Cherian  
Proprietor  
M.No.202759



## ANNEXURE TO INDEPENDENT AUDITORS' REPORT

**Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Muthoot Fincorp Ltd. on the standalone financial statements as of and for the year ended 31 March 2015**

1.(a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All the assets have not been physically verified by the management during the year. But there is a regular program of verification, which in our opinion, is reasonable. We have been informed that there have been no material discrepancies during such verification.

2. The provisions of clause 3(ii) of the said Order are not applicable to the Company as the Company has not held any stock in trade during the year

3. The Company has granted the following loans to parties listed in the Register maintained under Section 189 of the Companies Act, 2013.

Name of the party	Nature of Loan	Balance as on 31.03.2015
Muthoot Housing Finance Company Limited	Unsecured Loan	6,897 lakhs
Muthoot Pappachan Technologies Limited	Unsecured Loan	1,415 lakhs
Muthoot Automobile Solutions (P) Limited	Unsecured Loan	Nil
Thomas John Muthoot	Secured Loan	7,500 lakhs
Thomas George Muthoot	Secured Loan	7,500 lakhs
Thomas Muthoot	Secured Loan	7,500 lakhs

(a) In our opinion, the parties listed above are regular in repayment of principal & interest payments, in accordance with the terms of agreement entered into with them.

(b) There is no overdue amount exceeding Rs.1 lakh with respect to the loans advanced to parties listed in the register maintained under Section 189 of the Companies Act, 2013.

4. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and provision of services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.

5. The Company has not accepted any deposits from the public within the meaning of sections 73 to 76 of the Act and the Rules framed there under to the extent notified.

6. The Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 and hence the provisions of this section are not applicable to the company for the year under review.

7. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities.



(b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of statutory dues as at 31 March 2015 which have not been deposited on account of a dispute, are as follows:

(Rs. In lakhs)

Name of the statute	Nature of dues	Amount	Period to which the amount relates	Forum where the dispute is pending
Income Tax	Tax on regular assessment	298.87	AY 2006-07	JCIT/ Special Range, Trivandrum
Income Tax	Tax on regular assessment	689.06	AY 2007-08	JCIT/ Special Range, Trivandrum
Service Tax	Tax on Income from Foreign Inward Remittances	17.17	01/02/2006 to 30/09/2007	CESTAT, Bangalore

c) There are no amounts required to be transferred by the Company to the Investor Education and Protection Fund in accordance with the provisions of the Companies Act, 1956 and the Rules made thereunder.

8. The Company has no accumulated losses as at the end of the financial year and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.

9. According to the records of the company examined by us, and the information and explanations given to us, the company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the Balance Sheet date.

10. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year. Accordingly, the provisions of clause 3(x) of the Order are not applicable to the Company

11. In our opinion, and according to the information and explanations given to us, on an overall basis, term loans have been applied for the purposes for which they were obtained.

12. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, instances of loan against theft gold, spurious gold and misappropriation committed by personnel of the company were noticed aggregating to an amount of Rs. 1,344.35 Lakhs (net of recovery), which has been fully provided for in the accounts.

Place: Thiruvananthapuram  
Date: July 30, 2015

For A Cherian & Associates,  
Chartered Accountants,  
Firm Regn. No. – 011456S

sd/-  
CA. Abraham Cherian  
Proprietor  
M.No.202759





A CHERIAN & ASSOCIATES  
Chartered Accountants

Puthuparampil, Manganam P.O., Kottayam - 686018  
Phone: 0481- 2575155, Mobile: 9847063828  
email: abrahamcherian06@yahoo.com

**"AUDITOR'S REPORT SUBMITTED AS PER NON-BANKING FINANCIAL COMPANIES  
AUDITOR'S REPORT (RESERVE BANK) DIRECTIONS 2008" WITH RESPECT TO THE  
YEAR ENDED 31.03.2015 OF MUTHOOT FINCORP LIMITED, MUTHOOT CENTRE,  
PUNNEN ROAD, THIRUVANANTHAPURAM**

To

The Board of Directors  
Muthoot Fincorp Limited,  
Muthoot Centre, Punnen Road,  
Thiruvananthapuram - 695 039

Sirs,

- 1) The Company has been registered with Reserve Bank of India, Thiruvananthapuram with Registration Number N. 16 – 00170.
- 2) The Company is engaged in the business of Non-Banking Financial Institutions and is classified as a "Non Deposit taking, Systemically Important Loan Company". The Company is entitled to hold Certificate of Registration in terms of Asset / Income pattern as on 31.03.2015.
- 3) Board of Directors has passed a resolution on 01.04.2015 for Non-Acceptance of public deposits.
- 4) On the basis of verification of the books and other records and on the basis of information provided by the management, The Company has not accepted any public deposits during the year 2014 – 2015.
- 5) The Company has complied with the prudential norms relating to Income Recognition, Accounting Standards, Assets Classification, Provisioning for bad and doubtful debts and Concentration of Credits / Investments, as applicable to it as on 31.03.2015.
- 6) The Capital Adequacy Ratio as disclosed in the return submitted to the Reserve Bank of India has been correctly determined and such ratio is in compliance with the minimum Capital to Risk Asset Ratio prescribed by the RBI.
- 7) The Company has not opened any branch / appointed any agent to collect deposits during the financial year 2014-2015. Hence the requirements contained in the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998 are not applicable.
- 8) As the Company is a Non-Deposit taking NBFC, the requirement of having minimum credit rating is not applicable to the company in terms of the provisions of paragraph for 4(1)(i) of the NBFC Public Deposit Directions (RB) 1998.
- 9) There are certain Secured debentures held by the company as on 31.03.2015, which have already matured, but for which no claim has been made by the debenture holders. We have been informed that the company has taken adequate steps for its repayment. The details are furnished below.

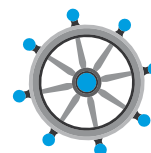
Particulars	Numbers/Amount
Number of Debentures	2453
Principal Amount	Rs. 24.53 lakhs
Interest Accrued	Rs. 16.53 lakhs

Place: Thiruvananthapuram  
Date: July 30, 2015

For A Cheria & Associates,  
Chartered Accountants,  
Firm Regn. No. - 011456S

sd/-  
CA. Abraham Cheria  
Proprietor  
M.No.202759





## MUTHOOT FINCORP LIMITED

### BALANCE SHEET AS AT 31ST MARCH 2015

(Rs. In lakhs)

Particulars	Note	Figures as at	
		March 31, 2015	March 31, 2014
<b>LIABILITIES</b>			
<b>Equity and Liabilities</b>			
<b>Share Holder's Funds</b>			
Share Capital	1	18,656.27	18,656.27
Reserves & Surplus	2	1,14,706.06	1,06,328.97
Money received against share warrants		-	-
<b>Share Application Money Pending Allotment</b>		-	-
<b>Non-Current Liabilities</b>			
Long Term Borrowings	3	2,86,461.05	205,717.82
Deferred Tax Liability (net)	4	1,500.67	(782.93)
Other Long Term Borrowings		-	-
Long Term Provisions		-	-
<b>Current Liabilities</b>			
Short Term Borrowings	5	5,27,890.98	5,27,596.72
Trade Payables	6	679.27	2,030.17
Other Current Liabilities	7	1,02,975.65	1,66,616.82
Short Term Provisions	8	11,900.70	7,484.35
<b>TOTAL</b>		<b>10,64,770.65</b>	<b>10,33,648.19</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets	9	55,080.36	53,366.90
Capital Work in Progress		-	-
Intangible Assets under Development		-	-
Non-Current Investments	10	5,587.29	5,949.45
Deferred Tax Assets		-	-
Long Term Loans & Advances	11	8,347.93	8,508.78
<b>Other Non-Current Assets</b>		-	-
<b>Total Non-Current Assets</b>		<b>69,015.58</b>	<b>67,825.13</b>
<b>Current Assets:</b>			
Current Investments	12	73.48	627.10
Inventories		-	-
Trade Receivables	13	1,296.22	1,690.09
Cash & Cash Equivalents	14	39,733.72	31,863.56
Short Term Loans & Advances	15	8,47,000.12	8,00,127.17
Other Current Assets	16	107,651.53	1,31,515.14
<b>Total Current Assets</b>		<b>9,95,755.07</b>	<b>9,65,823.06</b>
<b>TOTAL</b>		<b>10,64,770.65</b>	<b>10,33,648.19</b>

See accompanying notes to the Financial Statements

Vide our report dated 30/07/2015 attached  
For A.Cherien & Associates  
Chartered Accountants  
Firm Regn. No. - 011456S

For and on behalf of the Board of Directors,

sd/-  
**Thomas John Muthoot**  
Managing Director

sd/-  
**Thomas George Muthoot**  
Director

sd/-  
**CA. Abraham Cherian**  
Proprietor, M.No.202759

sd/  
**Thomas Muthoot**  
Executive Director and  
Chief Financial Officer

sd/-  
**Mathai T.D.**  
Company Secretary

Thiruvananthapuram  
30/06/2015



## MUTHOOT FINCORP LIMITED

### STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2015

(Rs. In lakhs)

Particulars	Note	Figures for the year ended	
		March 31, 2015	March 31, 2014
<b>I. REVENUE</b>			
Revenue from Operations	17	1,92,302.33	1,86,564.50
Other Income	18	11,584.19	10,967.20
<b>II. Total Revenue</b>		<b>2,03,886.52</b>	<b>1,97,531.70</b>
<b>III. EXPENSES</b>			
Employee Benefit Expenses	19	34,509.59	35,267.69
Finance Cost	20	1,12,980.76	1,15,305.36
Depreciation and Amortization	9	8,130.77	7,420.11
Other Expenses	21	34,899.90	33,104.96
<b>IV. Total Expenses</b>		<b>1,90,521.02</b>	<b>1,91,098.12</b>
<b>V. Profit before Exceptional and Extra Ordinary Items and Tax (II-IV)</b>		13,365.50	6,433.58
<b>VI. Exceptional Items</b>		-	-
<b>VII. Profit before Extra-Ordinary Items and Tax (V-VI)</b>		13,365.50	6,433.58
<b>VIII. Extra-Ordinary Items</b>		-	-
<b>IX. Profit Before Tax (VII-VIII)</b>		13,365.50	6,433.58
<b>X. Tax Expenses:</b>			
Current Tax		2,704.80	331.99
Deferred Tax		2,283.61	(225.25)
<b>XI. Profit for the Period from Continuing Operations (IX-X)</b>		8,377.09	6,326.84
<b>XII. Profit/(Loss) from Discontinuing Operations</b>		-	-
<b>XIII. Tax Expense of Discontinuing Operations</b>		-	-
<b>XIV. Profit/(Loss) from Discontinuing Operations (after tax) (XII-XIII)</b>		-	-
<b>XV. Profit for the Period (XI+XIV)</b>		<b>8,377.09</b>	<b>6,326.84</b>
<b>XVI. Earnings per Equity Share</b>			
Basic		4.49	3.39
Diluted		4.49	3.39

*See accompanying notes to the Financial Statements*

For and on behalf of the Board of Directors,

Vide our report dated 30/07/2015 attached  
For A.Chcrian & Associates  
Chartered Accountants  
Firm Regn. No. - 0114565

sd/-  
**Thomas John Muthoot**  
Managing Director

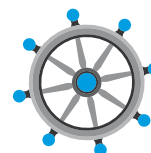
sd/-  
**Thomas George Muthoot**  
Director

sd/-  
**Thomas Muthoot**  
Executive Director and  
Chief Financial Officer

sd/-  
**Mathai T.D.**  
Company Secretary

sd/-  
**CA. Abraham Chcrian**  
Proprietor, M.No.202759

Thiruvananthapuram  
30/06/2015



## MUTHOOT FINCORP LIMITED

### STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31.03.2015

(Rs. In lakhs)

	Particulars	2014-15	2013-14
a)	<b>Cash Flow from operating activities</b>		
	Net profit after taxation and extraordinary items	8,377.09	6,326.84
	<b>Non cash adjustments to reconcile profit before tax to net cash flows:</b>		
	Depreciation & amortization	79.08	7,420.11
	(Profit)/loss on sale of fixed assets	(47.92)	(10.98)
	Provisions and write offs	6,699.96	(5,595.43)
	Non cash extraordinary income	-	-
	Net gain on sale of current investments	(814.75)	(406.08)
	Dividend income	(8.67)	(48.15)
	<b>Operating profit before working capital changes</b>	<b>14,284.79</b>	<b>7,686.31</b>
	<b>Movement in Working Capital</b>		
	(Increase) / decrease in assets under financing activities	(41,185.80)	26,017.21
	(Increase) / decrease in long term loans and advances	160.85	(561.36)
	(Increase) / decrease in other current assets	23,863.61	1,702.53
	Increase / (decrease) in other current liabilities	8,102.65	35,132.62
	<b>Cash generated from operation</b>	<b>5,226.10</b>	<b>69,977.31</b>
	Direct taxes paid (net of refund)	5,293.29	(4,197.27)
	<b>Net cash flow from /(used in) operating activities (A)</b>	<b>(67.19)</b>	<b>65,780.04</b>
b)	<b>Cash Flow from investing activities</b>		
	Purchase of fixed and tangible assets	(1,787.23)	(8,257.84)
	Purchase / Sale of investments	915.78	139.85
	Interest received on investments & fixed deposits	814.75	406.08
	Sale of fixed assets	42.61	57.23
	Dividend received	8.67	48.15
	<b>Net cash flow from /(used in) investing activities (B)</b>	<b>(5.42)</b>	<b>(7,606.53)</b>
c)	<b>Cash flow from financing activities</b>		
	(Increase) / decrease of short term borrowings	(72,800.46)	(37,584.95)
	(Increase) / decrease of long term borrowings	80,743.23	(30,834.83)
	<b>Net cash flow from /(used in) financing activities (C)</b>	<b>7,942.77</b>	<b>(68,419.79)</b>
	<b>Net increase / (decrease) in cash and cash equivalents (A + B + C)</b>	<b>7,870.16</b>	<b>(10,246.27)</b>
	Cash and cash equivalents at the beginning of the year	31,863.56	42,109.83
	Cash and cash equivalents at the end of the year	39,733.72	31,863.56

See accompanying notes to the Financial Statements

For and on behalf of the Board of Directors,

sd/-  
**Thomas John Muthoot**  
Managing Director

sd/-  
**Thomas George Muthoot**  
Director

sd/-  
**Thomas Muthoot**  
Executive Director and  
Chief Financial Officer

sd/-  
**Mathai T.D.**  
Company Secretary

Vide our report dated 30/07/2015 attached  
For A.Cherien & Associates  
Chartered Accountants  
Firm Regn. No. - 0114565

sd/-  
**CA. Abraham Cherian**  
Proprietor, M.No.202759

Thiruvananthapuram  
30/06/2015



## MUTHOOT FINCORP LIMITED

### Significant Accounting Policies and Notes to Standalone Financial Statements for the year ended 31 March 2015

#### I. OVERVIEW

Muthoot Fincorp Limited ("the Company") is a Public Limited Company operating in India and is incorporated under the provisions of the Companies Act 1956, with an authorised capital of Rs.20,000 lakhs, comprising of 2,000 lakhs equity shares of Rs.10/- each. The Company is a Non Deposit Accepting Non-Banking Financial Company (NBFC) registered with the Reserve Bank of India (RBI) and is classified as a Non Deposit Taking Systemically Important Loan Company (NDSI).

#### II. SIGNIFICANT ACCOUNTING POLICIES

a. **System of accounting & basis of preparation**

The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India under the historical cost convention on accrual basis. Pursuant to Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, till the standards of accounting or any addendum thereto are prescribed by the Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Accordingly, these financial statements have been prepared to comply in all material aspects with the Accounting Standards notified under Section 211 (3C) of the Companies Act, 1956, Companies (Accounting Standards) Rules, 2006, (as amended), the other relevant provisions of the Companies Act, 2013 and Reserve Bank of India Regulations in relation to Non-Banking Finance Companies to the extent applicable to the company.

All assets and liabilities have been classified as Current or Non-current as per the criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of business, the Company has ascertained its Operating Cycle as 12 months for the purpose of Current / Non-current classification of its assets and liabilities.

b. **Use of Estimates**

The preparation of the financial statements required the Management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, revenues and expenses and disclosures relating to the contingent liabilities. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods. Estimates include provision for doubtful debts and advances, employee benefit plans, provision for income taxes and provision for diminution in value of investments.

c. **Tangible Fixed assets**

Fixed Assets are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. The cost comprises of purchase price and directly attributable cost for bringing the asset to its working condition for the intended use.

Any trade discounts and rebates are deducted in arriving the purchase price.

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



d. **Intangible assets:**

Intangible Assets are stated at cost, net of amortisation. Computer Software is amortised over a period of three years on straight line method.

e. **Depreciation on Tangible Fixed Assets:**

The company has provided for depreciation on Straight Line Method (SLM) based on the useful life of assets prescribed under Schedule II of the Companies Act, 2013, as against the depreciation rates prescribed under Schedule XIV to the Companies Act, 1956 in the previous year.

Up to 31.03.2014, the Company was following Written Down Value (WDV) method for depreciating all assets except leasehold improvements, where SLM was followed. The management is of the opinion that as the WDV method charges higher amounts of depreciation during the initial years, it does not reflect the true value of asset in the initial years. Since most of the assets of the company are relatively new, the management has taken a view to bring all assets under SLM method which gives a more realistic view of the assets compared to its useful life. The depreciation charged as per SLM for the year is Rs.8,130.77 lakhs. Due to the change in method, there is a reversal of Rs. 8,051.69 lakhs from the accumulated depreciation which has been classified under the head "Provision written back". Had the company continued to follow the WDV method, there would have been an additional depreciation of Rs.4,053.85 lakhs

Depreciation on Leasehold Improvements is provided for on Straight Line Method (SLM) over the primary lease period of premises.

Depreciation on assets acquired/sold during the year is recognised on pro-rata basis in the statement of profit and loss from the date of acquisition or till the date of sale.

f. **Investments**

Investments intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as Non-Current Investments.

Current Investments are carried in the Financial Statements at lower of cost or fair market value on individual investment basis. During the year, provision for fluctuation in value of current investments is recognised to the extent of the diminution in value.

Non-Current Investments are normally carried at cost. However provision for diminution in value is made to recognise a decline, other than temporary in nature.

On disposal of an investment, the difference between its carrying amount and net proceeds of disposal are recognized in the profit and loss account.

g. **Human Resources and benefits**

**Short Term Employee Benefits**

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

**Post Employment Benefits**

**Defined Contribution Plan**

**Provident Fund**

Contributions are made to Employees Provident Fund Organisation 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

**Defined Benefit Plan**  
**Retirement benefits**

The company has provided for gratuity benefits payable to its employees based on actuarial valuation done in line with Accounting Standard 15 – 'Employee Benefits' issued by Institute of Chartered Accountants of India.

**Earned Leave benefits**

The company has provided for earned leave benefits payable to its employees based on actuarial valuation done in line with Accounting Standard 15 – 'Employee Benefits' issued by Institute of Chartered Accountants of India.

**h. Foreign Exchange Transactions**

Foreign currency transactions are recorded, on initial recognition, by applying to the foreign currency amount the exchange rate at the date of the transaction. Non-monetary items, which are carried in terms of historical cost denominated in foreign currency, are reported using the exchange rate at the date of the transaction. During the year, the company has availed a Foreign Currency Loan (fully covered by a Forward Contract). On a prudent basis, the company has not translated the said loan using the exchange rate as on the Balance Sheet date as it results in a forex gain. The company has recognized the total premium on the contract on pro-rata basis over the life of the Forward Contract.

**i. Taxes on Income**

Income tax expense is the aggregate amount of current tax and deferred tax expense of the company. The current tax expense and deferred tax expense is determined in accordance with the provisions of the Income Tax Act, 1961 and as per Accounting Standard 22 - Accounting for Taxes on income issued by the Institute of Chartered Accountants of India, respectively. Deferred tax adjustments comprise changes in the deferred tax assets or liabilities during the year. Deferred tax assets and liabilities are recognised on a prudent basis for the future tax consequences of timing differences arising between the carrying values of assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using tax rates and tax laws which are at force as at the balance sheet date. The impact of changes in deferred tax assets and liabilities is recognised in the profit and loss account.

Deferred tax assets are recognised and re-assessed at each reporting date, based upon management's judgement as to whether their realisation is considered as reasonably certain.

**j. Impairment of Assets**

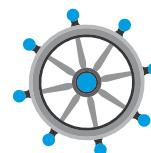
The Company assesses at each Balance Sheet date whether there is an indication of impairment of any asset. If any indication exists, the Company estimates the recoverable amount of the assets. The recoverable amount of the assets is the greater of the net selling price and value in use of the asset. Where the carrying amount of the asset is greater than its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. If the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Profit and Loss Statement.

An assessment is made at each Balance Sheet date about the existence or decrease of previously recognized impairment losses. If such indication exists, the recoverable amount is estimated and the asset is reflected at the recoverable amount.

**k. Revenue recognition**

Revenue is recognised to the extent that it is probable that economic benefits will flow to the company and the revenue can be reliably measured. The revenue recognition is as under:

- a. Interest, finance charges, service charges etc. are recognized as income on accrual basis with reference to the terms of contractual commitments and finance agreements entered into with borrowers, as the case maybe, except in the case of non-performing assets where income is recognized on receipt basis.
- b. Income from services is recognised as per the terms of contract on accrual basis.



- c. Interest income on deposit accounts with banks is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.
  - d. The prudential norms for income recognition prescribed under the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 are complied with.
- l. Borrowing Cost**
- Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.
- Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.
- m. Leases**
- Leases where a significant portion of risk or rewards of ownership are retained by the Lessor are classified as Operating Leases. Lease rentals are charged to the Statement of Profit and Loss on accrual basis.
- n. Provisions/Write offs of assets**
1. Non-performing loans are written off/provided for, as per the estimates of Management, subject to the minimum provision required as per the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.
  2. Provision for standard assets is made as required under Reserve Bank of India (RBI) Notification No.DNBS.267/PCGM(NSV)-2014 dated 1-1-2014

## I. NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 1. Share capital

Rs. in Lakhs

Particulars	March 31, 2015	March 31, 2014
Authorised:		
20,00,00,000 equity shares of Rs.10/- each (previous year 20,00,00,000) shares of Rs.10/- each)	20,000.00	20,000.00
Issued, Subscribed and paid-up:		
18,65,62,700 equity shares of Rs.10/- each (previous year 18,65,62,700) shares of Rs.10/- each)	18,656.27	18,656.27
<b>Total</b>	<b>18,656.27</b>	<b>18,656.27</b>

The shareholders who hold more than 5% shares of the company and their capital contributions are as follows:

Name of shareholders	No of shares	Amount (Rs lakhs)	Percent (%)
Mr. Thomas John Muthoot	4,91,66,416	4,916.64	26.35
Mr. Thomas George Muthoot	4,91,66,416	4,916.64	26.35
Mr. Thomas Muthoot	4,91,66,416	4,916.64	26.35
Ms. Preethi John Muthoot	1,30,20,818	1,302.09	6.98
Ms. Nina George	1,30,20,817	1,302.08	6.98
Ms. Remy Thomas	1,30,20,817	1,302.08	6.98
<b>Total</b>	<b>18,65,61,700</b>	<b>18,656.17</b>	<b>99.99</b>



Out of the above 9,37,50,000 shares were issued to the shareholders as fully paid up bonus shares.

Reconciliation of number of shares at the beginning of the year and at the closing of the year is as follows.

Particulars	Year ended March 31, 2015		Year ended March 31, 2014	
	No of shares	Amount (Rs. Lakhs)	No of shares	Amount (Rs. Lakhs)
Position at the beginning of the year	18,65,62,700	18,656.27	18,65,62,700	18,656.27
Fresh issue during the year	0	0.00	0	0.00
Position at the end of the year	18,65,62,700	18,656.27	18,65,62,700	18,656.27

## 2. Reserves and surplus

(Rs. in Lakhs)

Particulars	March 31, 2015	March 31, 2014
a. Securities Premium Reserve	23,844.13	23,844.13
b. Statutory Reserve	26,983.62	25,308.20
c. Special Contingency Reserve	8,882.93	8,882.93
d. Debenture Redemption Reserve	11,028.91	0.00
e. Surplus	43,966.47	48,293.71
<b>Total</b>	<b>114,706.06</b>	<b>1,06,328.97</b>

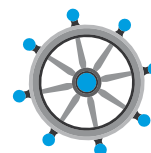
The company has appropriated 20% of the profit after tax as Statutory Reserve as stipulated in Reserve Bank of India Regulations. The company has created a Debenture Redemption Reserve of 25% of the total value of debentures issued to public as required under Rule 18, sub-rule 7 of the Companies (Share Capital and Debentures) Rules, 2014. The company has appropriated the same out of the current surplus and the balance out of carried forward surplus. Hence, the company was unable to appropriate the Special Contingency Reserve and the 5% excess Statutory Reserve, which was being followed voluntarily and consistently by the company.

Reconciliation of figures as at beginning and close of the reporting period are as follows:

(Rs. in Lakhs)

Particulars	March 31, 2015	March 31, 2014
a. Securities Premium Reserve		
Balance as per last balance sheet	23,844.13	23,844.13
Additions during the year	0.00	0.00
Closing balance	<b>23,844.13</b>	<b>23,844.13</b>
b. Statutory Reserve		
Balance as per last balance sheet	25,308.20	23,726.49
Additions during the year	1,675.42	1,581.71
Closing balance	<b>26,983.62</b>	<b>25,308.20</b>
c. Special Contingency Reserve		
Balance as per last balance sheet	8882.93	8,250.25
Additions during the year	0.00	632.68
Closing balance	<b>8,882.93</b>	<b>8,882.93</b>
d. Debenture Redemption Reserve		
Balance as per last balance sheet	0.00	0.00
Additions during the year	11,028.91	0.00
Closing balance	<b>11,028.91</b>	<b>0.00</b>





e. Surplus		
Balance as per last balance sheet	48,293.71	44,181.26
Profit for the year	8,377.09	6,326.84
Less: Appropriations:		
Statutory Reserve	1,675.42	1,581.71
Special Contingency Reserve	0.00	632.68
Debenture Redemption Reserve	11,028.91	0.00
Closing balance	<b>43,966.47</b>	<b>48,293.71</b>

### 3. Long term borrowings

(Rs. in Lakhs)

Particulars	March 31, 2015	March 31, 2014
(a) Bonds/ debentures		
Secured Debentures	94,601.78	52,888.68
(b) Term loans		
From Banks:	10,217.59	17,257.15
From other parties	27.81	49.40
(c) Other loans and advances		
Subordinate debts	1,40,106.31	1,02,138.03
Tier I Capital - Perpetual Debt Instruments	14,400.00	14,400.00
Tier II Capital- Perpetual Debt Instruments	0.00	0.00
Inter Corporate Deposit	50.00	50.00
Interest Payable	27,057.56	18,934.56
Total	<b>2,86,461.05</b>	<b>2,05,717.82</b>

#### a. Long term borrowings - Secured debentures

Secured Debentures includes non-convertible debentures issued by way of Public Issue as well as Private Placement. Privately placed secured debentures are secured by a charge on receivables, both present and future. Debentures issued by way of public issue are secured against charge on current assets, book debts, receivables (both present & future) and immovable property of the company admeasuring 54 cents. Secured debentures are grouped into current and non-current based on maturity profile. All secured debentures falling due after March 31, 2016 are categorised as Non-current liability. Interest accruing and falling due after March 31, 2016 has also been categorised as Non-current liability.

The company raised Rs.44,115.65 lakhs, during the year by way of NCD public issues.

The maturity pattern of Secured Debentures in the descending order of maturity are as follows (includes Current portion also):

Financial year of maturity	Grand total (Rs. in lakhs)
2019-20	127.63
2018-19	128.53
2017-18	31,221.63
2016-17	63,123.99



2015-16	79,357.59
Total	173,959.37

## b. Term loans

### (i) Long term borrowings -Term loan from banks

Term loans availed by the Company are secured by first / pari-passu charges on the respective Fixed Assets / Current Assets. The principal portion of repayments which fall due after March 31, 2016 are categorised as Non-current liability. The repayment terms are as below:

- Rs.3,667.31 lakhs outstanding secured against Branch Fixed Assets repayable in 24 monthly instalments of Rs.145 lakhs & last instalment of Rs.144.98 lakhs
- Rs.10,792.94 lakhs outstanding secured against Branch Fixed Assets repayable in 37 monthly instalments of Rs.288.33 lakhs & last instalment of Rs.0.15 lakhs
- Rs.47.00 lakhs outstanding secured against windmills with HTSC No: 3326 & HTSC No: 3375 repayable in 2 monthly instalments of Rs.21.67 lakhs & last instalment of Rs.3.67 lakhs
- Rs.1,181.39 lakhs outstanding secured against Branch Fixed Assets repayable in 14 monthly instalments of Rs.83.33 lakhs & last instalment of Rs.0.20 lakhs
- Rs.851.28 lakhs outstanding secured against three 1500KW windmills with HTSC Nos. 3537, 3643, 3644 & land appurtenant thereto at Tirunelveli district, Tamil Nadu repayable in 35 monthly instalments of Rs.23.64 lakhs & last instalment of Rs.13.86 lakhs
- Rs.218.15 lakhs outstanding secured against 5,960sq.ft. of building space at Crescenzo, Bandra Kurla Complex, Mumbai repayable in 9 monthly instalments of Rs.23.33 lakhs & last instalment of Rs.8.18 lakhs
- Rs.410.80 lakhs outstanding secured against 6,350sq.ft. SBUA with UDS 795.30sq.ft. in World Trade Centre, Brigade Gateway, Bangalore repayable in 115 monthly instalments of Rs.3.55 lakhs & last instalment of Rs.2.55 lakhs
- Rs.39.56 lakhs outstanding secured against Vehicle - Jaguar XF 2.2 repayable in 36 monthly instalments on diminishing value basis

### (ii) Long term borrowings -Term loan from other parties

The loan outstanding of Rs.39.36 lakhs is secured against the property at DLF Garden City, Chennai, repayable in 50 monthly instalments on diminishing value basis

The principal portion of repayments due after March 31, 2016 are categorised as Non-Current Liability.

## c. Other Loans & Advances

- (i) Subordinate Debt instruments are unsecured, subordinated to the claims of other creditors with an initial maturity of over 5 years.

The maturity pattern of subordinate debt in the descending order of maturity are as follows (includes Current portion also):

Financial year of maturity	Grand total (Rs. In lakhs)
2021-22	3,848.69
2020-21	30,891.52
2019-20	37,776.43
2018-19	41,587.36
2017-18	22,002.31



2016-17	4,000.00
2015-16	0.00
<b>Total</b>	<b>1,40,106.31</b>

(ii) Perpetual Debt Instruments are perpetual, unsecured instruments, which have been issued as per RBI guidelines.

(iii) Inter-Corporate Deposit is also unsecured & non-current in nature.

#### 4. Deferred Tax Asset/Liability (Net)

(Rs. in Lakhs)

Particulars	March 31, 2015	March 31, 2014
Opening balance	(782.94)	(557.68)
Timing difference in depreciation	2,400.86	(206.16)
Timing difference in provision for NPA	17.72	(165.22)
Timing difference in provision for Gratuity	(131.26)	(54.35)
Timing difference in provision for EL	(3.71)	(36.62)
Timing difference in provision for Standard Assets	0.00	237.10
Net deferred tax liability	2,283.61	(225.25)
Closing Balance	<b>1,500.67</b>	<b>(782.93)</b>

The management has taken a view that all standard assets are good. Therefore, the provision for standard assets is considered as a permanent difference by nature and hence not considered for calculation of deferred tax.

#### 5. Short Term Borrowings

(Rs. in Lakhs)

Particulars	March 31, 2015	March 31, 2014
<b>a) Loans repayable on demand</b>		
From Banks:		
- Working Capital Loan (secured)	5,27,890.98	5,27,475.75
<b>b) Loans and advances from related parties</b>		
Loans From Directors (unsecured)	0.00	120.97
<b>Total</b>	<b>5,27,890.98</b>	<b>5,27,596.72</b>

##### From Banks:

- **Working Capital Loan:**  
Working capital loans are fully secured against Gold Loan receivables and other current assets of the Company both present and future.
- **Term loan- Current portion**  
Term loans from banks are secured against fixed assets of the company (detailed under Schedule 3 – Term Loans under Long Term Borrowings). The principal portion of repayments due on or before March 31, 2016 are categorised as current liability under Other Current Liabilities.



## 6. Trade Payables

(Rs. in Lakhs)

Particulars	March 31, 2015	March 31, 2014
Sundry Creditors	679.27	2,030.17

## 7. Other Current Liabilities

(Rs. in Lakhs)

Particulars	March 31, 2015	March 31, 2014
Expenses Payable	10,468.94	7,719.05
Taxes & Duties Payable	4,033.69	389.80
Current maturities of Long Term Borrowings		
- Secured Debentures	79,357.59	1,49,643.98
- Term Loan from Banks	6,990.85	7,346.59
- Term Loan from Others	11.54	10.04
Other Liabilities	2,113.04	1,507.36
<b>Total</b>	<b>1,02,975.65</b>	<b>1,66,616.82</b>

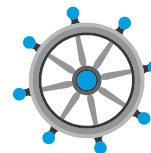
## 8. Short term provisions

(Rs. in Lakhs)

Particulars	March 31, 2015	March 31, 2014
Provision for Standard Assets	2,760.69	2,556.74
Provision for NPA	4,631.28	3,495.57
Provision for Income Tax (net of advance tax and TDS)	3,043.42	338.62
Provision for Gratuity	1,259.81	855.25
Provision for Earned leave encashment	188.85	177.42
Provision for Investment price fluctuation	16.65	60.75
<b>Total</b>	<b>11,900.70</b>	<b>7,484.35</b>

All credit exposures are classified as per RBI guidelines, into performing and non-performing assets ("NPA"). Further, NPAs are classified into substandard, doubtful and loss assets based on the criteria stipulated by RBI.

In addition to the specific provisions on NPAs, the Company has made a provision for standard assets at the rate of 0.25% in conformity with RBI guidelines. As far as Micro Finance Loans are concerned, the company has provided 1% of the assets as provision for standard assets.



## 9. FIXED ASSETS AND DEPRECIATION

SL NO	PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK		
		OPENING COST	ADDITIONS FOR THE YEAR	SALES DURING THE YEAR	COST AS ON 31.03.2015	UPTO 31.03.2014	Written back/ (Additional depreciation)	ESTIMATED USEFUL LIFE OF THE ASSET	FOR THE YEAR	UPTO 31.03.2015	AS AT 31.03.2014	AS AT 31.03.2015
1	AIR CONDITIONER	807.66	23.53	-	831.19	221.85	143.37	20	40.21	118.69	585.81	712.50
2	BANK COUNTER & FIXTURES	35,549.54	732.23	1,079.75	35,202.02	12,479.55	-	10	3,812.04	16,291.59	23,069.99	18,910.43
3	BIO GAS PLANT	16.89	-	-	16.89	8.65	-7.39	15	0.84	16.89	8.24	-
4	BUILDINGS	4,643.57	-	-	4,643.57	447.92	313.30	60	73.52	208.14	4,195.66	4,435.43
5	CALCULATOR	0.57	-	-	0.57	0.43	-0.12	5	0.03	0.57	0.15	-0.00
6	CASH COUNTING MACHING	36.39	0.57	-	36.96	12.11	6.51	15	5.73	11.33	24.28	25.63
7	CD PLAYER	0.66	-	-	0.66	-	-0.11	5	0.03	0.66	0.15	0.00
8	CLOSED CIRCUIT CAMERA	4.82	-	-	4.82	2.25	-2.33	5	0.24	4.82	2.56	-
9	COFFEE VENDING MACHINE	4.45	-	-	4.45	0.41	0.31	5	4.35	4.46	4.04	-0.01
10	COMPUTER SYSTEM	5,524.05	632.52	-	6,156.57	3,221.13	264.87	3	1,329.23	4,285.49	2,302.92	1,871.08
11	CYCLE	0.28	-	-	0.28	0.23	-0.03	5	0.01	0.28	0.05	-0.00
12	ELECTRICAL EQUIPMENTS	64.29	3.28	-	67.57	37.00	22.89	10	12.39	26.49	27.30	41.08
13	ELECTRICAL FITTINGS	11.56	-	-	11.56	6.50	3.47	10	8.53	11.56	5.05	-0.00
14	ELECTRONIC DIGITAL BOARD	4.82	-	-	4.82	2.39	-2.19	10	0.24	4.82	2.43	-0.00
15	ELECTRONIC EQUIPMENTS	67.85	6.86	-	74.71	18.97	5.05	15	7.74	21.66	48.86	53.05
16	ELECTRONIC WEIGHING BALANCE	535.40	13.14	-	548.54	119.61	80.20	15	60.68	100.10	415.79	448.44
17	EPABX	21.94	3.15	-	25.09	6.73	3.38	13	3.88	7.24	15.21	17.85
18	FAKE NOTE DETECTOR	49.55	-	-	49.55	13.26	7.90	15	5.64	11.00	36.28	38.55
19	FAX MACHINE	1.27	-	-	1.27	0.53	-0.67	5	0.06	1.27	0.73	0.00
20	FIRE EXTINGUISHER	429.23	32.81	-	462.04	70.37	-24.07	5	95.03	189.48	358.85	272.56
21	FURNITURE & FITTINGS	3,654.34	113.16	-	3,767.50	1,317.78	708.57	5	476.71	1,085.92	2,336.56	2,681.59
22	GENERATOR	9.19	6.86	-	16.05	1.91	1.51	15	1.26	1.66	7.29	14.40
23	LAND	2,314.59	-	-	1,936.90	-	-	-	-	-	2,314.59	1,936.90
24	LIBRARY	0.36	-	-	0.36	0.24	-0.10	5	0.02	0.35	0.11	0.01
25	NEON BOARD	5,337.93	185.91	-	5,523.84	1,761.36	1,039.33	10	720.56	1,442.59	3,576.58	4,081.25
26	OFFICE EQUIPMENTS	7.88	0.44	-	8.32	1.93	-5.55	15	0.39	7.88	5.94	0.44
27	PAPER SHREDDER	0.57	-	-	0.57	0.12	-0.42	5	0.03	0.57	0.45	-0.00
28	PHOTO COPY MACHINE	1.90	0.15	-	2.05	0.24	0.13	15	1.80	1.91	1.67	0.13
29	SAFETY DEVICE SYSTEM	1,426.90	1,060.80	-	2,487.70	185.51	123.08	15	131.47	193.91	1,241.38	2,293.79
30	SOFTWARE	73.21	49.70	-	122.91	33.24	4.94	3	27.50	55.80	39.97	67.11
31	STABILIZER	3,756.77	325.51	-	4,082.28	930.63	470.71	10	498.23	958.15	2,826.14	3,124.13
32	STRONG ROOM	5,881.02	5.03	-	5,886.05	887.21	504.27	30	243.38	626.32	4,993.81	5,259.73
33	TELEVISION	25.04	2.07	-	27.11	1.78	0.51	5	5.05	6.31	23.26	20.80
34	TOOLS & SPARES	0.31	-	-	0.31	0.21	-0.09	5	0.02	0.31	0.10	-
35	VEHICLE	385.69	59.27	7.01	437.95	251.29	164.31	8	52.16	139.13	134.40	298.82
36	WIND ELECTRIC GENERATOR	11,850.92	-	-	11,850.92	7,090.64	4,226.14	22	511.74	3,376.25	4,760.28	8,474.67
	TOTAL FOR CURRENT YEAR	82,501.40	3,256.99	1,464.45	84,293.94	29,134.50	8,051.68		8,130.77	29,213.59	53,366.90	55,080.36
	TOTAL FOR PREVIOUS YEAR	74,336.07	8,287.28	121.95	82,501.40	21,760.65	-		7,373.85	29,134.50	52,575.42	53,366.90



## 10. Non-Current Investments

(Rs. in Lakhs)

Particulars	March 31, 2015	March 31, 2014
(i) Quoted - at cost		
HDFC-Asset Management Co. Ltd	87.90	182.81
Bhavishya Nirman Bond (NABARD)	4.99	4.99
(ii) Unquoted - at cost		
Edelweiss Asset Reconstruction Co Ltd	672.25	939.50
Muthoot Housing Finance Co Ltd	4,291.15	4,291.15
Muthoot Microfin Limited (formerly known as Pancharetna Securities Ltd)	520.00	520.00
Muthoot Pappachan Chits India Pvt Ltd	8.00	8.00
Muthoot Pappachan Technologies Ltd	3.00	3.00
<b>Total</b>	<b>5,587.29</b>	<b>5,949.45</b>

## 11. Long Term Loans and advances

(Rs. in Lakhs)

Particulars	March 31, 2015	March 31, 2014
Building deposits	8,347.93	8,508.78

Building deposits are paid to the landlords of the lease hold premises which are taken for fairly long period. The Company does not expect to realise the same within the period of next twelve months. Hence the deposits are treated as Long Term Loans and Advances.

## 12. Current Investments

(Rs. in Lakhs)

Particulars	March 31, 2015	March 31, 2014
<b>Quoted-at cost/Market Value whichever is lower</b>		
Fully paid Equity shares in DP a/c with MOSL	73.48	627.10
<b>Total</b>	<b>73.48</b>	<b>627.10</b>

## 13. Trade Receivables

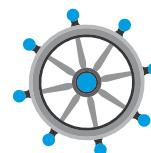
(Rs. in Lakhs)

Particulars	March 31, 2015	March 31, 2014
Sundry Debtors:		
▪ More than 180 days	283.68	0.00
▪ Other debts	1,012.54	1,690.09
<b>Total</b>	<b>1,296.22</b>	<b>1,690.09</b>

## 14. Cash and Cash Equivalents

(Rs. in Lakhs)

Particulars	March 31, 2015	March 31, 2014
a. Cash in hand	11,229.74	12,700.91
b. Forex balance	392.29	456.15
c. Cash at Bank : In Current Account (with scheduled banks)	24,311.04	14,851.62
d. Cash at Bank : In Deposit Account (with scheduled banks)	3,800.65	3,854.88
<b>Total</b>	<b>39,733.72</b>	<b>31,863.56</b>



## 15. Short term loans and advances

(Rs. in Lakhs)

Particulars	March 31, 2015	March 31, 2014
Retail loan Receivables:		
a. Secured and considered good	6,64,209.05	6,61,048.31
b. Considered doubtful	17,063.97	16,138.72
Other Loans:		
c. Secured and considered good	1,246.15	11,621.95
d. Considered doubtful	0.00	7.65
e. Unsecured and considered good	1,53,213.60	1,06,679.70
f. Considered doubtful	416.81	240.73
g. Advances (Receivable in Cash or in kind or for value to be received)	10,850.54	4,390.11
h. Considered doubtful	0.00	0.00
<b>Total</b>	<b>8,47,000.12</b>	<b>8,00,127.17</b>

Microfinance loans provided by the company are within the exposure limit of 10% of total assets of the Company as prescribed by RBI guidelines. During the year, the company has assigned a portion of its Microfinance portfolio amounting to Rs.7,999.94 lakhs to other Financial Institutions. The Unsecured Loan as per the above note is exclusive of the assigned portfolio.

## 16. Other current assets

(Rs. in Lakhs)

Particulars	March 31, 2015	March 31, 2014
Deposits	587.81	59.96
Interest Receivable	55,341.83	79,644.65
Advance to Suppliers	536.21	2,054.56
Other Current Assets	51,185.68	49,755.97
<b>Total</b>	<b>1,07,651.53</b>	<b>1,31,515.14</b>

## 17. Revenue from Operations

(Rs. in Lakhs)

Particulars	March 31, 2015	March 31, 2014
Interest on Retail Loan	1,59,177.95	1,67,500.75
Interest on Unsecured Loan	30,955.99	16,078.08
Interest on Secured Loan	748.14	1,655.91
Income from Forex operations	365.78	341.85
Income from Money transfer business	1,054.47	873.04
Income from Insurance	0.00	114.87
<b>Total</b>	<b>1,92,302.33</b>	<b>186,564.50</b>



## 18. Other Income

(Rs. in Lakhs)

Particulars	March 31, 2015	March 31, 2014
Income from Power generation	947.42	1,065.94
Interest on Bank deposit	330.19	382.71
Income from Investments	823.43	454.23
Commission received	853.76	462.84
Miscellaneous income	533.60	448.18
Interest on ICD	0	1,021.23
Provision written back	8,095.79	7,132.07
<b>Total</b>	<b>11,584.19</b>	<b>10,967.20</b>

## 19. Employee benefits expense

(Rs. in Lakhs)

Particulars	March 31, 2015	March 31, 2014
Remuneration to Directors	480.00	0.00
Salaries & Allowances	30,102.46	30,973.88
Incentives	2,034.72	2,615.72
PF & ESI contributions	1,517.02	1,152.86
Staff welfare expenses	216.55	310.02
Bonus & Ex-gratia	158.84	215.21
<b>Total</b>	<b>34,509.59</b>	<b>35,267.69</b>

### Remuneration to Directors

Remuneration has been paid to the Managing Director and the Executive Director and Chief Financial Officer, as per the terms of appointment, subject to the permissible limits under the Companies Act, 2013. The Director who is eligible for commission has voluntarily waived the same.

### Provident Fund / ESI

Muthoot Pappachan Consultancy & Management Services, being the prime and central management of Muthoot Pappachan Group, the Company has decided to provide the benefits of Provident Fund to its employees by continuing under the Employees Provident Fund Scheme of Muthoot Pappachan Consultancy & Management Services. The contributions to PF / ESI are as follows:

(Rs. in Lakhs)

Particulars	March 31, 2015	March 31, 2014
Contributions to Provident Fund	813.02	388.92
Contributions to Employee State Insurance	704.00	763.94

### Leave Encashment

Leave encashment expenses, valued on actuarial basis amounting to Rs.188.85 lakhs has been fully provided.

### Gratuity

The Company has created a Trust named "Muthoot Fincorp Employees' Group Gratuity Scheme" to meet the liability towards gratuity benefits payable to its employees. The retirement benefits valued on actuarial basis amounting to Rs.1,259.81 lakhs, has been fully provided. The fund is administered by Life Insurance Corporation of India ("LIC")





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

(Rs. in lakhs)

Particulars	March 31, 2015	March 31, 2014
<b>A) Reconciliation of opening and closing balance of defined benefit obligation</b>		
- Defined benefit obligation at the beginning of the year	855.25	635.75
- Interest Cost	83.21	67.11
- Current Service Cost	370.22	66.21
- Benefits paid	(25.55)	(1.83)
- Actuarial gain/ (loss)	(23.32)	88.00
- Defined benefit obligation at the end of the year	1,259.81	855.24
<b>B) Reconciliation of opening and closing balance of fair value of Plan Assets</b>		
- Fair value of plan assets at the beginning of the year	429.09	375.18
- Expected return on plan assets	34.33	30.01
- Contributions	0.00	19.38
- (Benefit paid)	(25.55)	(1.83)
- Actuarial gains/(losses) on plan assets	(3.22)	6.35
- Fair value of plan assets at the end of the year	434.65	429.09
<b>C) Expense for the year</b>		
- Current service cost	370.22	66.21
- Interest Cost	83.21	67.11
- (Expected return on plan assets)	(34.33)	(30.01)
- Actuarial gains/(losses)	(20.10)	81.65
<b>D) Investment details</b>		
Insurer managed funds	434.65	429.09
<b>E) Experience adjustment</b>		
- On Plan Liability (Gain)/Losses	404.77	219.29
- On Plan Assets (Losses)/Gain	5.56	429.09
<b>F) Actuarial assumptions</b>		
- Discount rate	8.00%p.a.	8.00%p.a.
- Salary Escalation	5.00%p.a.	5.00%p.a.
- Rate of return on plan assets	8.00%p.a.	8.00%p.a.



## 20. Finance cost

(Rs. in Lakhs)

Particulars	March 31, 2015	March 31, 2014
a. Interest on Secured Debentures	22,792.18	27,869.64
b. Interest on Loan from Banks	68,990.72	74,670.67
c. Interest on Directors Loan	7.26	14.82
d. Interest on Sub Debts	16,890.73	9,877.75
e. Interest on Inter Corporate Deposits	17.10	21.24
f. Interest on Perpetual Debt Instruments	1,728.00	1,728.00
g. Interest on Commercial Paper	1,239.86	0.00
h. Other Financial charges	1,314.91	1,123.24
<b>Total</b>	<b>1,12,980.76</b>	<b>1,15,305.36</b>

## 21. Other expenses

(Rs. in Lakhs)

Particulars	March 31, 2015	March 31, 2014
Rent	13,649.45	12,735.58
Electricity & Water Charges	1,557.25	1,835.70
Repairs & Maintenance - Building	747.32	663.36
Repairs & Maintenance - Others	935.75	425.69
Sitting Fee to Directors	11.25	7.00
Insurance	402.66	178.67
Security Charges	6,484.96	6,560.57
Marketing expenses	1,706.85	1,841.92
Business promotion	325.92	680.34
Travelling Expenses	2,004.71	1,884.92
Telephone Charges	1,549.09	1,537.92
Printing & Stationery	754.29	667.37
Office Expenses	375.48	294.47
Professional charges	1,020.61	739.32
Provisions and write offs	1,964.81	1,042.78
Donation and CSR Expenses	188.17	198.19
Rates and taxes	711.05	951.04
Postage and Telegram	497.77	860.12
Miscellaneous expenses	12.51	0.00
<b>Total</b>	<b>34,899.90</b>	<b>33,104.96</b>



## 22. Provisions and contingent liabilities

Liabilities of a contingent nature are generally not provided for in the books of accounts but are disclosed at their estimated values. The Company recognizes a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the obligation. Disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made unless it is required under Statute.

- a) The company has given Guarantees for an amount of Rs.16.20 lakhs to banks. The company is contingently liable to the banks to that extent.
- b) The company has assigned Microfinance Receivables amounting to Rs.7,999.94 lakhs to financial institutions during the year. The Unsecured Loan outstanding in the Balance Sheet as on 31. 03. 2015 has been reduced to the extent of receivables assigned.
- c) The Commissioner of Central Excise, Customs & Service Tax (Appeals-III) has issued Order-In-Appeal no.592/2014 dated 30.10.2014 confirming the Orders-in-Original no.04 & 05/2008 demanding tax on income received from foreign inward remittances amounting to Rs.17,17,069/-, with interest and penalty thereon, for the period between 01.02.2006 and 30.09.2007. The company has moved an appeal to the Central Excise & Service Tax Appellate Tribunal against the order. The management is confident of a favourable ruling in the case in view of Order nos. 1115 & 1116/2009 decided in favour of Muthoot Fincorp Limited by the Hon: CESTAT, Bangalore, whereby it was ruled that commission received by the company on inward remittances is not liable to tax as it amounts to Export of Services.
- d) The Company had received Orders from the Income Tax Department demanding an amount of Rs.298.87 Lakhs, Rs.689.06 Lakhs and Rs.421.80 Lakhs for the assessment years 2006-07, 2007-08 and 2008-09 respectively. For the assessment year 2008-09, the Hon: High Court of Kerala passed an order directing the assessing officer to re-examine the issue afresh, based on which the assessing officer has deleted the entire disallowance made for the year. The Company had filed appeals for the assessment years 2006-07 & 2007-08 before the Hon: Income Tax Appellate Tribunal, Kochi Bench, which were set aside by the Hon: ITAT, remitting the files back to the Assessing Officer to redo the assessment based on the remarks of the Hon: High Court of Kerala in the case of the company for the assessment year 2008-09. These two cases are pending before the JCIT, Special Range, Trivandrum.
- e) Some of the branches of the Company had received notices under the Kerala Money Lenders Act, 1958, for registration. The Company has gone on appeal to the Hon'ble Supreme Court challenging the said notices. The Hon'ble Supreme Court has granted an interim stay till the disposal of the appeal. Pending the resolution of the same, no adjustments have been made in the financial statements for the required license fee and Security deposits.
- f) The Estimated amount of contracts remaining to be executed on capital account and not provided for amounts to Rs.854.42 lakhs.

### Show Cause Notices received, not considered as Contingent Liability

- a) The company has been served with various show cause notices from the Service Tax Department totaling to Rs.232.19 lakhs for the periods ranging from 01.10.2007 to 31.03.2014 on the taxability of commission received on foreign inward remittance services. The company has filed replies against the notices, and on the basis of legal opinions received, is confident of favourable decisions. Since the demand has not been confirmed by an Order, the company has not considered this as a contingent liability.
- b) The Company had received a show cause notice in FY 2012-13 from the Office of the Additional Director General of Central Excise Intelligence on the taxability of certain revenues of the company. The company has filed its reply to the show cause notice disputing the findings of the department. The liability estimated by the department and mentioned in the show cause notice amounts to Rs.1,263.21 Lakhs, out of which Rs.384.69 Lakhs was remitted by the company. Since the demand has not been confirmed by an Order, the company has not considered this as a contingent liability.



- c) The company has received Show Cause Notice no. 145/2014-15 dated 30.03.2015 from the Office of the Additional Director General of Central Excise Intelligence requiring the company to show cause as to why tax totalling to Rs.1,315.43 lakhs shall not be demanded against support services rendered to its sister concerns and on grounds of CENVAT Credit irregularities prior to FY2011-12. The company has sought legal opinion on the same and is in the process of filing its reply to the notice. Since the demand has not been confirmed by an Order, the company has not considered this as a contingent liability.
- d) The Company has received a notice from the Reserve Bank of India to show cause as to why arm's length policy is not maintained with group concerns. The company has already submitted its reply in writing.

## 23. Information about business segments

(Rs. In Lakhs)

Particulars	Retail loan	Power Generation	Total
Revenue	202,939.10	947.42	203,886.52
Expenditure	190,103.78	417.24	190,521.02
Segment result	12,835.32	530.18	13,365.50
Segment asset	10,55,761.02	9,009.63	10,64,770.65
Segment liabilities	10,63,872.37	898.28	10,64,770.65
Capital expenditure	3,256.99	0.00	3,256.99
Depreciation	7,619.03	511.74	8,130.77

## 24. Related Party Disclosures:

As required by Accounting Standard - 18 on 'Related Party Disclosures' issued by Institute of Chartered Accountants of India, following information is disclosed:

### a) List of related parties as on 31.03.2015

Sr. no	Party
	<b>COMPANY</b>
1	ALASKA AGRI PROJECTS AND HOSPITALITIES PRIVATE LIMITED
2	BAMBOO AGRI PROJECTS AND HOSPITALITIES PRIVATE LIMITED
3	BUTTERCUP AGRI PROJECTS AND HOSPITALITIES PRIVATE LIMITED
4	CALYPSO AGRI DEVELOPMENT AND HOSPITALITIES PRIVATE LIMITED
5	CINNAMON AGRI DEVELOPMENT AND HOSPITALITIES PRIVATE LIMITED
6	DOUBLE TAILS AGRI DEVELOPMENT AND HOSPITALITIES PRIVATE LIMITED
7	EL TORO AGRI PROJECTS AND HOSPITALITIES PRIVATE LIMITED
8	EMMEL REALTORS AND DEVELOPERS PRIVATE LIMITED
9	FIREWORKS AGRI DEVELOPMENT AND HOSPITALITIES PRIVATE LIMITED
10	FLAME AGRI PROJECTS AND HOSPITALITIES PRIVATE LIMITED
11	FOX BUSH AGRI DEVELOPMENT AND HOSPITALITIES PRIVATE LIMITED
12	GOBLIN AGRI PROJECTS AND HOSPITALITIES PRIVATE LIMITED
13	JUNGLE CAT AGRI DEVELOPMENT AND HOSPITALITIES PRIVATE LIMITED
14	L.M REALTORS PRIVATE LIMITED
15	LINDEN AGRI VENTURES AND HOSPITALITIES PRIVATE LIMITED
16	MANDARIN AGRI VENTURES AND HOSPITALITIES PRIVATE LIMITED
17	MARIPOSA AGRI VENTURES AND HOSPITALITIES PRIVATE LIMITED



18	MPG HOTELS AND INFRASTRUCTURE VENTURES PRIVATE LIMITED
19	MUSK AGRI VENTURES AND HOSPITALITIES PRIVATE LIMITED
20	MUTHOOT AGRI DEVELOPMENT AND HOSPITALITIES PRIVATE LIMITED
21	MUTHOOT AGRI PROJECTS AND HOSPITALITIES PRIVATE LIMITED
22	MUTHOOT AGRI VENTURES AND HOSPITALITIES PRIVATE LIMITED
23	MUTHOOT APT CERAMICS LIMITED
24	MUTHOOT AUTOMOTIVE (INDIA) PRIVATE LIMITED
25	MUTHOOT AUTOMOBILE SOLUTIONS PRIVATE LIMITED
26	MUTHOOT BUILDTECH (INDIA) PRIVATE LIMITED
27	MUTHOOT CAPITAL SERVICES LIMITED
28	MUTHOOT EQUITIES LIMITED
29	MUTHOOT HOLDINGS PRIVATE LIMITED
30	MUTHOOT HOTELS PRIVATE LIMITED
31	MUTHOOT HOUSING FINANCE COMPANY LIMITED
32	MUTHOOT INFRASTRUCTURE PRIVATE LIMITED
33	MUTHOOT LAND AND ESTATES PRIVATE LIMITED
34	MUTHOOT MOTORS PRIVATE LIMITED
35	MUTHOOT MICROFIN LIMITED
36	MUTHOOT PAPPACHAN MEDICARE PRIVATE LIMITED
37	MUTHOOT PAPPACHAN TECHNOLOGIES LIMITED
38	MUTHOOT PROPERTIES (INDIA) PRIVATE LIMITED
39	MUTHOOT RISK INSURANCE AND BROKING SERVICES PRIVATE LIMITED
40	PALAKKAD INFRASTRUCTURE PRIVATE LIMITED
41	PINE PINK AGRI VENTURES AND HOSPITALITIES PRIVATE LIMITED
42	THE RIGHT AMBIENT RESORTS PRIVATE LIMITED
43	MUTHOOT PAPPACHAN CHITS (INDIA) PRIVATE LIMITED
44	MUTHOOT EXIM PRIVATE LIMITED
45	MUTHOOT KURIES PRIVATE LIMITED
46	THE THINKING MACHINE MEDIA PRIVATE LIMITED
<b>Sr. no</b>	<b>FIRM / LLP / TRUST</b>
1	MUTHOOT BANKERS
2	MUTHOOT CINE ENTERPRISE
3	MUTHOOT ESTATE INVESTMENTS
4	MUTHOOT FINANCE COMPANY
5	MUTHOOT INSURANCE SERVICES
6	MUTHOOT MOTORS (COCHIN)
7	MPG AIR CATERING LLP
8	MPG APEX MANAGEMENT LLP
9	MPG ASSET MANAGEMENT LLP
10	MPG AUTOMOBILES LLP
11	MPG HOSPITALITY LLP
12	MPG LAND AND ESTATE LLP
13	MPG LAND DEVELOPERS LLP
14	MPG REAL ESTATE LLP
15	MUTHOOT PAPPACHAN FOUNDATION



**b) List of Key Managerial Persons**

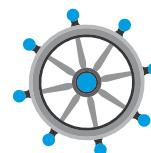
Sr. no.	Name of the person	Designation	Relatives
1	Thomas John Muthoot	Chairman & Managing Director	1. Janamma Thomas 2. Preethi John 3. Thomas M John 4. Susan John Muthoot
2	Thomas George Muthoot	Director	1. Nina George 2. Tina Suzanne George 3. Ritu Elizabeth George 4. Swetha Ann George
3	Thomas Muthoot	Executive Director cum Chief Financial Officer	1. Remy Thomas 2. Suzannah Muthoot 3. Hannah Muthoot

**c) Transactions with persons listed in (b) above, during the year/balances Outstanding as on 31.03.2015**  
(Rs. In Lakhs)

Particulars	Thomas John Muthoot	Thomas George Muthoot	Thomas Muthoot
<b>Revenue/(Expenses)</b>			
Interest accrued	287.47	287.88	287.47
Interest paid	(108.02)	(1.81)	(1.81)
Remuneration paid	(300.00)	-	(180.00)
Rent paid	(19.19)	(25.29)	(18.85)
<b>Loans Advanced</b>			
Loans advanced during the year	7,500.00	7,500.00	7,500.00
<b>Outstanding</b>			
Subordinate Debt	8,70.00	-	-
Secured Loans outstanding	7,500.00	7,500.00	7,500.00
Interest Receivable	287.47	287.88	287.47

**d) Transactions with entities listed in (a) above** (Rs. in Lakhs)

Transaction	Amount
<b>Revenue</b>	
Income from services rendered	851.93
Income from renting of premises	231.55
Income from loans, deposits and other finances	910.26
<b>Expenditure</b>	
Rent paid towards premises taken on lease	11.62
Fees towards services rendered	245.40
Interest on deposits and other debt instruments	2,124.65
Donations made	21.00
<b>Assets</b>	
Loans / Security Deposits advanced	3,116.85



Loans repaid	(1,685.64)
Advance for CSR activities	187.46
Advance for property / property sale	1,670.85
Assignment / Buyout	(2,999.97)
<b>Liabilities</b>	
Loans / ICD's accepted	700.00
Loans / ICD's repaid	700.00

## e) Outstanding with entities listed in (a) above

(Rs. in Lakhs)

Transaction	Amount
<b>Assets (Receivables)</b>	
Against Services rendered	36.47
Against Renting of premises	18.33
Against Interest from loans, deposits and other finances	69.20
Against Advance for CSR activities	52.56
Against Term loan	7,812.00
<b>Liabilities (Payables)</b>	
Against Services rendered	263.38
Against Security Deposits	29.49
Against Subordinate Debt	3,630.00

25. There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund established under Section 205 C of the Companies Act 1956.

## 26. Earnings per share (EPS)

Basic and diluted earnings per share are computed in accordance with Accounting Standard-20 – Earnings per share. Basic earnings per share is calculated by dividing the net profit or loss after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share reflect the potential dilution that could occur if contracts to issue equity shares were exercised or converted during the year. Diluted earnings per equity share are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year, except where the results are anti-dilutive.

Particulars	At March 31, 2015	At March 31, 2014
Profit after tax (Rs. In lakhs)	8,377.09	6,326.84
Weighted average number of shares outstanding	18,65,62,700	18,65,62,700
Basic Earnings per share	4.49	3.39
Diluted Earnings per share	4.49	3.39

## 27. Capacity, production, sales and stock details

Particulars	At March 31, 2015	At March 31, 2014
Capacity, production, sales and stock	N.A.	N.A.



## 28. Managerial Remuneration

The following additional disclosures are made as per the requirements of Accounting Standards (AS) and Reserve Bank of India (RBI) guidelines in this regard.

(Rs. in Lakhs)

Sl.no.	Particulars	Current Year	Previous Year
1	Managerial Remuneration		
	Salary to Chairman & Managing Director and Executive Director	480.00	0.00
	Commission to Director	0.00	0.00
2	Value of Imports	0.00	0.00
3	Expenditure in Foreign Currency	5.08	63.99
4	Earnings in Foreign Exchange	0.00	0.00
5	Auditors Remuneration		
	For Statutory Audit	12.00	12.00
	Company Law Services	2.50	2.50
	Taxation	2.00	2.00
	Other Services	1.50	1.50
6	Amount due to Small Scale Industries	Nil	Nil
(The above information has been determined as per the details available with the company. The auditor has relied on the said information)			

## 29. CSR Expenditure

For the year ended March 31, 2015, the Company has incurred expenditure of Rs.134.89 lakhs towards CSR activities as against Rs.569.33 lakhs required to be spent under Section 135 of the Companies Act, 2013, resulting in a shortfall of Rs.434.44 lakhs. The shortfall was on account of delay in identifying eligible projects being the first year of implementation of the provision. The shortfall for the year is expected to be utilized in the subsequent years.

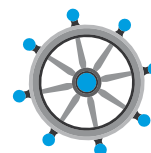
**30.** The Company extends loans to its customers against security of gold not exceeding 75% of the value of gold at the time of disbursement. Value of gold for this purpose is taken from the rates published by the Association of Gold Loan Companies (AGLOC). AGLOC publishes the value of gold based on the immediately preceding 30 days average price of 22 Carrot Gold published by Bombay Bullion Association. The loan amount provided against security of gold works out to 71.70% of the value of gold as on 31-03-2015.

**31.** Disclosures under the Listing Agreement for Debt Securities

**(i) Debenture Trustees:**

SBICAP Trustee Company Limited  
202, Maker Tower, 'E',  
Cuffe Parade, Colaba,  
Mumbai, Maharashtra – 400005  
Tel : 022-4302 5555  
Fax : 022-4302 5500  
Email : helpdesk@sbicaptrustee.com



**(ii) Security:**

The debentures are secured by way of charge on current assets, book debts, receivables (both present & future) generated from the branches of the company and immovable property of the company amounting to 54 cents with an asset cover ratio of minimum one time the value of debentures during the tenure of the debentures.

**(iii) Others:****(Rs. in lakhs)**

Particulars	At March 31, 2015	At March 31, 2014
Loans & advances in the nature of loans to subsidiaries	7,812.00	6,397.00
Loans & advances in the nature of loans to associates	Nil	Nil
Loans & advances in the nature of loans where there is-		
(i) no repayment schedule or repayment beyond seven years	Nil	Nil
(ii) no interest or interest below section 186 of the Companies Act	Nil	Nil
Loans & advances in the nature of loans to other firms / companies in which directors are interested	Nil	Nil

**32.** Sundry debtors, sundry creditors, loans and advances are subject to confirmation.

**33.** Previous year's figures have been regrouped and reclassified wherever necessary to conform to the current year's classification. Figures have been rounded off in Lakhs.



## Annexure required under Paragraph 13 of the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 2007

(As required in terms of Paragraph 13 of the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 2007)

(Rs. in Lakhs)

LIABILITY SIDE			
Sr. no.	PARTICULARS	Amount outstanding	Amount overdue
1	Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid		
	a. Debentures		
	▪ Secured	187,448.50	41.06
	▪ Unsecured (other than falling within the meaning of public deposits)	Nil	Nil
	b. Deferred credits	1,500.67	Nil
	c. Term loans	17,249.12	Nil
	d. Inter-corporate loans and borrowings	73.71	Nil
	e. Commercial paper	Nil	Nil
	f. Other loans:		
	▪ Working capital loans from banks	528,294.80	Nil
	▪ Loan from directors	Nil	Nil
	▪ Perpetual Debt Instruments	14,400.00	Nil
	▪ Subordinated Debts	161,961.78	Nil

ASSETS SIDE			
Sr. no.	PARTICULARS	Amount outstanding	
2	Break-up of Loans and advances including bills receivables (Other than those included in (4) below)		
	a. Secured		682,519.18
	b. Un-Secured		153,630.40
3	<b>Break-up of Leased Assets and stock on hire and hypothecation loans counting towards EL/HP activities</b>		
	(i) Lease assets including lease rentals under sundry debtors		Nil
	(a) Financial Lease		Nil
	(b) Operating Lease		Nil
	(ii) Stock on hire including hire charges under sundry debtors		Nil
	(a) Assets on hire		Nil
	(b) Repossessed Assets		Nil
	(iii) Other loans counting towards AFC activities		Nil
	(a) Loans where assets have been repossessed		Nil



	(b) Loans other than (a) above		Nil
4	<b>Break-up of Investments</b>		
	Current Investments		
	1. Quoted:		
	i. Shares		
	(a) Equity		73.48
	(b) Preference		Nil
	ii. Debentures and Bonds		Nil
	iii. Units of Mutual Funds		Nil
	iv. Government Securities		Nil
	v. Others		Nil
	2. Un-Quoted:		
	i. Shares:		
	(a) Equity		Nil
	(b) Preference		Nil
	ii. Debentures and Bonds		Nil
	iii. Units of Mutual Funds		Nil
	iv. Government Securities		Nil
	v. Others		Nil
	Long Term Investments		
	1. Quoted:		
	i. Shares		
	(a) Equity		Nil
	(b) Preference		Nil
	ii. Debentures and Bonds		Nil
	iii. Units of Mutual Funds		87.90
	iv. Government Securities		4.99
	v. Others		Nil
	2. Un-Quoted:		
	i. Shares:		
	(a) Equity		4822.15
	(b) Preference		Nil
	ii. Debentures and Bonds		Nil
	iii. Units of Mutual Funds		672.25
	iv. Government Securities		Nil
	v. Others		Nil



(Rs. in Lakhs)

5	Borrower group wise classification of assets financed as in (2) & (3) above	Amount net of provisions		
		Secured	Unsecured	Total
	1. Related Parties			
	a. Subsidiaries	Nil	7,792.47	7,792.47
	b. Companies in the same group	Nil	Nil	Nil
	c. Other related parties	22,443.75	Nil	22,443.75
	2. Other than related Parties	6,53,938.55	1,44,582.85	7,98,521.40
	<b>Total</b>	<b>6,76,382.30</b>	<b>1,52,375.32</b>	<b>8,28,757.62</b>

(Rs. in Lakhs)

6	Investor group-wise classification of all investments (Current and Long term) in shares and securities (both quoted and unquoted);		
	Category	Market value/Breakup or Fair value or NAV	Book Value (Net of Provisions)
	1. Related Parties		
	a. Subsidiaries	4,814.15	4,814.15
	b. Companies in the same group	8.00	8.00
	c. Other related parties	Nil	Nil
	2. Other than related Parties	895.69	838.62
	<b>Total</b>	<b>5,717.84</b>	<b>5,660.77</b>

(Rs. in Lakhs)

7	Other Information	Amount
	Particulars	
	(i) Gross Non-Performing Assets	
	(a) Related Parties	Nil
	(b) Other than related parties	17,480.78
	(ii) Net Non-Performing Assets	
	(a) Related Parties	Nil
	(b) Other than related parties	12,849.50
	(iii) Assets Acquired in satisfaction of debt	Nil



## Additional Disclosure requirements as per Notification No.DNBR.019/ CGM (CDS)-2015 dated April 10, 2015)

### 1. Capital Adequacy Ratio

(Rs. in Lakhs)

	Items	Current Year	Previous Year
1	CRAR (%)	22.06%	21.01%
2	CRAR – Tier I Capital (%)	14.53%	13.84%
3	CRAR – Tier II Capital (%)	7.53%	7.17%
4	Amount of subordinated debt raised as Tier-II capital (eligible amount, restricted to 50% of Tier-I capital)	73,881.16	69,301.00
5	Amount raised by issue of Perpetual Debt Instruments	14,400.00	14,400.00

### 2. Investments

(Rs. In Lakhs)

	Particulars	Current Year	Previous Year
(1)	Value of Investments		
	(i) Gross Value of Investments		
	(a) In India	5,660.77	6,576.55
	(b) Outside India	Nil	Nil
	(ii) Provisions for Depreciation		
	(a) In India	16.65	60.75
	(b) Outside India	Nil	Nil
	(iii) Net Value of Investments		
	(a) In India	5,644.12	6,515.80
	(b) Outside India	Nil	Nil
(2)	Movement of provisions held towards depreciation of investments		
	(i) Opening Balance	60.75	192.82
	(ii) Add: Provisions made during the year	16.65	60.75
	(iii) Less: Write off/write back of excess provisions during the year	60.75	192.82
	(iv) Closing balance	16.65	60.75

### 3. Derivatives

During the year the company has availed a Foreign Currency Loan of US \$ 235,29,411.76 (equivalent of INR 15,000 lakhs). The company had entered into Forward Contracts to hedge the payment of Principal and Interests in an appropriate manner with an Authorised Dealer (AD) in India. The AD had frozen effectively the lending rate to the company and also the deals were entered in such a manner that the movement in USD/INR and LIBOR movement on either side would not impact the company. On a prudent basis, the company has not translated the said loan using the exchange rate as on the Balance Sheet date as it results in a forex gain. Company has recognized the total premium on the contract on pro-rata basis over the life of the Forward Contract.



#### Quantitative Disclosure of Risk Exposure in Derivatives

Sl.no.	Particulars	Currency Derivatives	Interest Rate Derivatives
(i)	Derivatives (Notional Principal Amount)		
	For hedging (USD)	24,025,784.32	23,529,411.76
(ii)	Marked to Market Positions		
a)	Asset (+)	Nil	Nil
b)	Liability (-) (INR)	74,665,174.00	2,354,097.22
(iii)	Credit Exposure	Nil	Nil
(iv)	Unhedged Exposures	Nil	Nil

#### 4. Securitisation

(Rs. in Lakhs)

Sl.No.	Particulars	No. / Amount in Rs. lakhs
1	No of SPVs sponsored by the NBFC for securitisation transactions*	Nil
2	Total amount of securitised assets as per books of the SPVs sponsored	Nil
3	Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet	
a)	Off-balance sheet exposures	
	First loss	Nil
	Others	Nil
b)	On-balance sheet exposures	
	First loss	Nil
	Others	Nil
4	Amount of exposures to securitisation transactions other than MRR	
a)	Off-Balance Sheet exposures	
i)	Exposure to own securitizations	
	First loss	Nil
	Others	Nil
ii)	Exposure to third party securitizations	
	First loss	Nil
	Others	Nil
b)	On-Balance Sheet exposures	
i)	Exposure to own securitizations	
	First loss	Nil
	Others	Nil
ii)	Exposure to third party securitizations	
	First loss	Nil
	Others	Nil


**Details of Financial Assets sold to Securitisation / Reconstruction for Asset Reconstruction**

Particulars		Current Year	Previous Year
(i)	No. of accounts	Nil	Nil
(ii)	Aggregate value (net of provisions) of accounts sold to SC / RC	Nil	Nil
(iii)	Aggregate consideration	Nil	Nil
(iv)	Additional consideration realized in respect of accounts transferred in earlier years	Nil	Nil
(v)	Aggregate gain / loss over net book value	Nil	Nil

**Details of Assignment transactions undertaken by NBFCs**
**(Rs. in Lakhs)**

Particulars		Current Year	Previous Year
(i)	No. of accounts	61,981	Nil
(ii)	Aggregate value (net of provisions) of accounts sold	84,20,99,002	Nil
(iii)	Aggregate consideration	79,99,94,052	Nil
(iv)	Additional consideration realized in respect of accounts transferred in earlier years	Nil	Nil
(v)	Aggregate gain / loss over net book value	Nil	Nil

**5. Asset Liability Management Maturity pattern of certain items of Assets & Liabilities**
**(Rs. In Lakhs)**

Description	Up to 1 month	>1 to 2 month	>2 to 3 months	>3 to 6 months	6months to 1 yr	>1 to 3 yrs	>3 to 5 yrs	>5 yrs	Total
Advances	1,11,906	27,793	49,879	97,769	548,803	-	-	-	8,36,150
Investments	73	-	-	-	-	760	5	4,822	5,660
Borrowings	121,757	129,954	82,038	46,062	243,067	125,611	72,113	88,737	909,339
Foreign Currency assets	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities (included in Borrowings above)	-	-	-	-	15,288	-	-	-	15,288

**6. Exposures**
**Exposure to Real Estate Sector**
**(Rs. in Lakhs)**

Category	Current Year	Previous Year
<b>a. Direct Exposure</b>		
<b>i. Residential Mortgages</b> Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. (individual housing loans up to Rs.15 lakhs may be shown separately)	Nil	Nil
<b>ii. Commercial Real Estates</b> Lending secured by mortgages on commercial real estate (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction etc). Exposure would also include non-fund based (NFB) limits.	2,428.70	Nil



<b>iii. Investments in Mortgage Backed Securities (MBS) and other securitized exposures</b> <ul style="list-style-type: none"> <li>▪ Residential</li> <li>▪ Commercial Real Estate</li> </ul>	Nil	Nil
<b>b. Indirect exposure</b>		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	10,755.02	10,688.15
<b>Total Exposure to Real Estate Sector</b>	<b>13,183.72</b>	<b>10,688.15</b>

#### Exposure to Capital Market

(Rs. in Lakhs)

Particulars		Current Year	Previous Year
(i)	direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	73.48	627.10
(ii)	advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	Nil	Nil
(iii)	advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security ;	Nil	Nil
(iv)	advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	Nil	Nil
(v)	secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	Nil	Nil
(vi)	loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	Nil	Nil
(vii)	bridge loans to companies against expected equity flows / issues;	Nil	Nil
(viii)	all exposures to Venture Capital Funds (both registered and unregistered)	Nil	Nil
<b>Total Exposure to Capital Market</b>		<b>73.48</b>	<b>627.10</b>

## 7. Miscellaneous

#### Registration obtained from other financial sector regulators

The company has not obtained registrations from any other financial sector regulators during the year.

#### Disclosure of Penalties imposed by RBI and other regulators

The company has not been levied with any penalty by the RBI or other regulators during the year.

#### Policy on dealing with Related Party Transactions

The Related Party transactions are entered into complying with the relevant provisions of the Companies Act, 2013

#### Ratings assigned by credit rating agencies and migration of ratings during the year

The company's credit rating has improved from CRISIL A/Negative outlook to CRISIL A/ Stable outlook during FY 14-15.





### **Remuneration of Directors – non-ex directors**

The company has not paid any remuneration to its Non-Executive Directors during the year.

## **8. Additional Disclosures**

### **Concentration of Advances**

(Rs. in Lakhs)

Particulars	Current Year
Total Advances of twenty largest borrowers	37,718.25
Percentage of Advances of twenty largest borrowers to Total Advances of the NBFC	4.51%

### **Concentration of Exposures**

(Rs. in Lakhs)

Particulars	Current Year
Total Exposure of twenty largest borrowers	38,704.75
Percentage of Exposure of twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	4.63%

### **Concentration of NPA's**

(Rs. in Lakhs)

Particulars	Current Year
Total Exposure to top four NPA accounts	248.81

### **Sector-wise NPA's**

(Rs. in Lakhs)

Sl.no.	Particulars	Current Year
1	Agriculture & allied activities	17,063.97
2	MSME	-
3	Corporate borrowers	-
4	Services	-
5	Unsecured personal loans	92.42
6	Auto loans	-
7	Other personal loans	324.39

### **Movement of NPA's**

(Rs. in Lakhs)

	Particulars	Current Year
(i)	Net NPAs to Net Advances (%)	1.54%
(ii)	Movement of NPAs (Gross)	
	(a) Opening balance	16,387.10
	(b) Additions during the year	10,158.10
	(c) Reductions during the year	9,064.41
	(d) Closing balance	17,480.78
(iii)	Movement of Net NPAs	
	(a) Opening balance	12,891.52
	(b) Additions during the year	8,949.35
	(c) Reductions during the year	8,991.37
	(d) Closing balance	12,849.50
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)	



(a)	Opening balance	3,495.57
(b)	Additions during the year	1,135.71
(c)	Write-off / write-back of excess provisions	-
(d)	Closing balance	4,631.28

**Off-Balance Sheet SPV's sponsored**

Name of the SPV Sponsored	
Domestic	Overseas
Nil	Nil

**Disclosure of Customer Complaints**

Sl.No.	Particulars	Nos.
(a)	No. of complaints pending at the beginning of the year	17
(b)	No. of complaints received during the year	523
(c)	No. of complaints redressed during the year	528
(d)	No. of complaints pending at the end of the year	12



A CHERIAN & ASSOCIATES  
Chartered Accountants

Puthuparampil, Manganam P.O., Kottayam - 686018  
Phone: 0481- 2575155, Mobile: 9847063828  
email: abrahamcherian06@yahoo.com

# INDEPENDENT AUDITORS' REPORT

## TO THE MEMBERS OF MUTHOOT FINCORP LIMITED

### Report on the Consolidated Financial Statements

1. We have audited the accompanying Consolidated Financial Statements of Muthoot Fincorp Ltd. (herein after referred to as 'the Company' or the 'Holding Company') and its subsidiaries (together referred to as the 'Group'), which comprise the Consolidated Balance Sheet as at 31 March 2015, the Consolidated Statement of Profit and Loss, the Consolidated 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 Consolidated Financial Statements

2. 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 Consolidated Financial Statements to give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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 the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' responsibility

3. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the Accounting Standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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 Consolidated Financial Statements.



7. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

## Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the financial statements of subsidiaries as noted below, the aforesaid Consolidated Financial Statements together with the notes thereon 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 Group as at 31 March 2015, and its profit and its cash flows for the year ended on that date.

## Emphasis of Matter

Attention is invited to:

1. Note (e) under Statement of Significant Accounting Policies to the Consolidated Financial Statements regarding the change in method of depreciation adopted by the Holding Company.
2. Explanation to Note No.12 of the Consolidated Financial Statements regarding MAT Credit Entitlement of Rs.43.49 lakhs, which is based on the judgement of the management of Muthoot Housing Finance Company Limited.
3. Explanation to Note No.21 of the Consolidated Financial Statements regarding the change in accounting policy of recognition of processing fees related to the borrowings of Muthoot Housing Finance Company Limited.

Our opinion is not modified in respect of these matters.

## Report on other legal and regulatory requirements

9. As required by 'the Companies (Auditors' Report) Order, 2015', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the 'Order'), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, and based on the reports of the statutory auditors of the subsidiaries, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.

10. 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 of the Consolidated Financial Statements.

(b) In our opinion, proper books of account as required by law relating to the preparation of the Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the statutory auditors of the subsidiaries.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(d) In our opinion, and based on the reports of the statutory auditors of the subsidiaries, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors as on 31 March 2015, taken on record by the Board of Directors of the Company, and also based on the reports of the statutory auditors of the subsidiaries, none of the directors of the company and its subsidiaries, is disqualified as on 31 March 2015 from being appointed as a director in terms of section 164 (2) of the Act.



(f) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us, and based on the reports of the statutory auditors of the subsidiaries:

- i. The Group has disclosed the impact, if any, of pending litigations as at 31 March 2015, on its financial position in its Consolidated Financial Statements;
- ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts, if any, in respect of which any provision is required to be made under the applicable law and Accounting Standards;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company or its subsidiaries during the year ended 31 March 2015.

### Other Matters

The accompanying Consolidated Financial Statements include total assets of Rs.46,277.52 lakhs as at 31<sup>st</sup> March, 2015, total revenues of Rs.4,431.74 lakhs and net cash flows of Rs.3,365.15 lakhs for the year ended on that date, in respect of three subsidiaries which have been audited by other auditors, of which, financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the report of such other auditors.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements above, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Place: Thiruvananthapuram

Date: July 30, 2015

For A.Cherien & Associates,  
Chartered Accountants,  
Firm Regn. No. - 011456S

sd/-  
CA. Abraham Cherian  
Proprietor  
M.No.202759



## Annexure to Independent Auditors' Report

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Muthoot Fincorp Ltd. on the Consolidated Financial Statements as of and for the year ended 31 March 2015

1.(a) In our opinion, and according to the information and explanations given to us, and based on the auditors' report of the subsidiaries of the Company, the Holding Company and its subsidiaries have maintained proper records showing full particulars, including quantitative details and situation of fixed assets .

(b) All the assets have not been physically verified by the management during the year. But there is a regular program of verification, which in our opinion, is reasonable having regard to the size of the Group and the nature of its assets. We have been informed that there have been no material discrepancies during such verification.

2. The provisions of clause 3(ii) of the said Order are not applicable to the Group as the Holding Company and its subsidiaries have not held any stock in trade during the year

3. The Holding Company has granted the following loans to parties listed in the Register maintained under Section 189 of the Companies Act, 2013.

Name of the party	Nature of Loan	Balance as on 31.03.2015
Muthoot Housing Finance Company Limited	Unsecured Loan	6,897 lakhs
Muthoot Pappachan Technologies Limited	Unsecured Loan	1,415 lakhs
Muthoot Automobile Solutions (P) Limited	Unsecured Loan	Nil
Thomas John Muthoot	Secured Loan	7,500 lakhs
Thomas George Muthoot	Secured Loan	7,500 lakhs
Thomas Muthoot	Secured Loan	7,500 lakhs

Based on the reports of statutory auditors of the subsidiaries, no loans have been granted to parties listed in the Register maintained under Section 189 of the Companies Act, 2013 by the subsidiaries.

(a) In our opinion, the parties listed above are regular in repayment of principal & interest payments, in accordance with the terms of agreement entered into with them.

(b) There is no overdue amount exceeding Rs.1 lakh with respect to the loans advanced to parties listed in the register maintained under Section 189 of the Companies Act, 2013.

4. In our opinion, and according to the information and explanations given to us, and as reported by the statutory auditors of the subsidiaries of the Group, there is an adequate internal control system commensurate with the size of the Holding Company and its subsidiaries, and the nature of its business for the purchase of fixed assets and provision of services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, and based on the auditors' report of the subsidiaries, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.

*However, Muthoot Housing Finance Company Limited, one of the subsidiaries, is under the process to strengthen its internal control system so as to make it commensurate with the size of the company and the nature of its business with regard to the sale of services, i.e., providing loans to its customers. The statutory auditors of the company have thus reported that they cannot comment on whether there has been a continuing failure to correct major weaknesses in the internal control of the company.*



5. The Company and its subsidiaries have not accepted any deposits from the public within the meaning of sections 73 to 76 of the Act and the Rules framed there under to the extent notified as per the information and explanations given to us and based on the auditors' report of the subsidiaries.

6. The Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 and hence the provisions of this section are not applicable to the company and its subsidiaries for the year under review.

7. (a) According to the information and explanations given to us and the records of the Company examined by us, and based on the auditors' report of the subsidiaries of the Company, in our opinion, the Company and its subsidiaries are regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Company examined by us, and based on the report of the statutory auditors' of the subsidiaries, the particulars of statutory dues as at 31 March 2015 which have not been deposited on account of a dispute by the Company and its subsidiaries, are as follows:

(Rs. In lakhs)

Name of the statute	Nature of dues	Amount	Period to which the amount relates	Forum where the dispute is pending
Income Tax	Tax on regular assessment	298.87	AY 2006-07	JCIT/ Special Range, Trivandrum
Income Tax	Tax on regular assessment	689.06	AY 2007-08	JCIT/ Special Range, Trivandrum
Service Tax	Tax on Income from Foreign Inward Remittances	17.17	01/02/2006 to 30/09/2007	CESTAT, Bangalore

c) On the basis of examination of books of accounts and based on the auditors' report of the subsidiaries, there are no amounts required to be transferred by the Company and its subsidiaries to the Investor Education and Protection Fund in accordance with the provisions of the Companies Act, 1956 and the Rules made thereunder.

8. The Group has no accumulated loss as at the end of the financial year and has not incurred any cash losses in the financial year ended on that date.

9. According to the records of the company examined by us, and the information and explanations given to us, and based on the auditors' report of the subsidiaries, the company and its subsidiaries have not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the Balance Sheet date.

10. In our opinion, and according to the information and explanations given to us, and based on the auditors' report of the subsidiaries, the Company and its subsidiaries have not given any guarantee for loans taken by others from banks or financial institutions during the year.

11. In our opinion, and according to the information and explanations given to us, on an overall basis, and based on the auditors' report of the subsidiaries, term loans have been applied for the purposes for which they were obtained. However, pending utilization of term loan, a sum of Rs.3,339.30 lakhs on short term basis was parked in fixed deposit of various banks by Muthoot Housing Finance Limited.

12. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, instances of loan against theft gold, spurious gold and misappropriation committed by personnel of the Holding Company were noticed aggregating to an amount of Rs. 1,344.35 Lakhs (net of recovery), which has been fully provided for in the accounts. Based on the auditors' report of Muthoot Housing Finance Company Limited, a subsidiary of the Group, 14 instances of fraud committed by customers of the company for availing loans were



reported during the year. Outstanding balance of such loans as on March 31, 2015 is Rs.190.49 lakhs. Such frauds were committed on the basis of overvaluation of property and misrepresentation of facts in collusion with the company's employees and company's appointed vendors. The company has initiated legal proceedings against the parties and is of the opinion that the amounts will be recovered in due course of time as some of the customers with outstanding balance of Rs.42.39 lakhs are regular in servicing their outstanding loans.

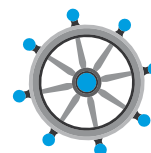
Place: Thiruvananthapuram

Date: July 30, 2015

For A Cherian & Associates,  
Chartered Accountants,  
Firm Regn. No. – 0114565

sd/-  
CA. Abraham Cherian  
Proprietor  
M.No.202759





## MUTHOOT FINCORP LIMITED

### CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2015

(Rs. In lakhs)

Particulars	Note	Figures as at March 31, 2015
<b>LIABILITIES</b>		
<b>Equity and Liabilities</b>		
<b>Share Holder's Funds</b>		
Share Capital	1	18,656.27
Minority Interest		1,621.88
Reserves & Surplus	2	1,13,611.35
Money received against share warrants		-
<b>Share Application Money Pending Allotment</b>		-
<b>Non-Current Liabilities</b>		
Long Term Borrowings	3	3,14,348.28
Deferred Tax Liability (net)	4	1,434.45
Other Long Term Borrowings		-
Long Term Provisions	5	308.57
<b>Current Liabilities</b>		
Short Term Borrowings	6	5,27,890.98
Trade Payables	7	648.47
Other Current Liabilities	8	1,07,888.98
Short Term Provisions	9	11,941.53
<b>TOTAL</b>		<b>10,98,350.76</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Fixed Assets	10	56,167.25
Capital Work in Progress		-
Non-Current Investments	11	773.14
Deferred Tax Assets		-
Long Term Loans & Advances	12	45,658.44
<b>Other Non-Current Assets</b>		-
<b>Total Non-Current Assets</b>		<b>1,02,598.83</b>
<b>Current Assets:</b>		
Current Investments	13	73.48
Inventories		-
Trade Receivables	14	1,295.87
Cash & Cash Equivalents	15	46,074.94
Short Term Loans & Advances	16	8,40,285.86
Other Current Assets	17	1,08,021.78
<b>Total Current Assets</b>		<b>9,95,751.93</b>
<b>TOTAL</b>		<b>10,98,350.76</b>

*See accompanying notes to the Financial Statements*

For and on behalf of the Board of Directors,

sd/-  
**Thomas John Muthoot**  
Managing Director

sd/-  
**Thomas George Muthoot**  
Director

sd/-  
**Thomas Muthoot**  
Executive Director and  
Chief Financial Officer

sd/-  
**Mathai T.D.**  
Company Secretary

Vide our report dated 30/07/2015 attached  
For A.Chерian & Associates  
Chartered Accountants  
Firm Regn. No. - 0114565

sd/-  
**CA. Abraham Cherian**  
Proprietor, M.No.202759

Thiruvananthapuram  
30/06/2015



## MUTHOOT FINCORP LIMITED

### CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2015

(Rs. In lakhs)

Particulars	Note	Figures for the year ended March 31, 2015
I. <b>REVENUE</b>		
Revenue from Operations	18	196,320.64
Other Income	19	11,916.35
II. <b>Total Revenue</b>		<b>2,08,236.99</b>
III. <b>EXPENSES</b>		
Employee Benefit Expenses	20	35,371.99
Finance Cost	21	1,16,190.66
Depreciation and Amortization	10	8,227.64
Other Expenses	22	35,424.39
IV. <b>Total Expenses</b>		<b>1,95,214.68</b>
V. <b>Profit before Exceptional and Extra Ordinary Items and Tax (II-IV)</b>		<b>13,022.31</b>
VI. Exceptional Items		-
VII. <b>Profit before Extra-Ordinary Items (V-VI)</b>		<b>13,022.31</b>
VIII. Extra-Ordinary Items		-
IX. <b>Profit Before Tax (VII-VIII)</b>		<b>13,022.31</b>
X. <b>Tax Expenses:</b>		
(i) Current Tax		2,704.80
(ii) Deferred Tax		2,274.91
XI. <b>Profit for the period (before adjustment of Minority Interest) (IX-X)</b>		<b>8,042.60</b>
XII. Share of Profit transferred to Minority Interest		(115.92)
XIII. <b>Profit for the year (after adjustment of Minority Interest) (XI-XII)</b>		<b>7,926.68</b>
XIV. <b>Earnings per Equity Share:</b>		
(i) Basic		4.25
(ii) Diluted		4.25

See accompanying notes to the Financial Statements

Vide our report dated 30/07/2015 attached  
For A.Cherien & Associates  
Chartered Accountants  
Firm Regn. No. - 0114565

For and on behalf of the Board of Directors,

sd/-  
**Thomas John Muthoot**  
Managing Director

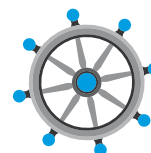
sd/-  
**Thomas George Muthoot**  
Director

sd/-  
**CA. Abraham Cherian**  
Proprietor, M.No.202759

sd/-  
**Thomas Muthoot**  
Executive Director and  
Chief Financial Officer

sd/-  
**Mathai T.D.**  
Company Secretary

Thiruvananthapuram  
30/06/2015



## MUTHOOT FINCORP LIMITED

### STATEMENT OF CONSOLIDATED CASH FLOW FOR THE YEAR ENDED 31.03.2015

(Rs. In lakhs)

	Particulars	Amount
a)	<b>Cash Flow from operating activities</b>	
	Net profit after taxation and extraordinary items	8,042.60
	<b>Non cash adjustments to reconcile profit before tax to net cash flows:</b>	
	Depreciation & amortization	175.96
	(Profit)/loss on sale of fixed assets	(47.92)
	Provisions and write offs	6,851.70
	Non cash extraordinary income	-
	Net gain on sale of current investments	(814.76)
	Dividend income	(8.67)
	<b>Operating profit before working capital changes</b>	<b>14,198.91</b>
	<b>Movement in Working Capital</b>	
	(Increase) / decrease in assets under financing activities	(33,602.23)
	(Increase) / decrease in long term loans and advances	(8,908.72)
	(Increase) / decrease in other current assets	23,920.26
	Increase / (decrease) in other current liabilities	14,447.31
	<b>Cash generated from operation</b>	<b>10,055.53</b>
	Direct taxes paid (net of refund)	5,347.99
	<b>Net cash flow from /(used in) operating activities (A)</b>	<b>4,707.54</b>
b)	<b>Cash Flow from investing activities</b>	
	Purchase of fixed and tangible assets	(2,511.10)
	Purchase / Sale of investments	915.78
	Sale of fixed assets	42.61
	Interest received on investments	814.75
	Dividend received	8.67
	<b>Net cash flow from /(used in) investing activities (B)</b>	<b>(729.29)</b>
c)	<b>Cash flow from financing activities</b>	
	(Increase) / decrease of short term borrowings	(72,800.46)
	(Increase) / decrease of long term borrowings	80,057.55
	<b>Net cash flow from /(used in) financing activities (C)</b>	<b>7,257.09</b>
	<b>Net increase / (decrease) in cash and cash equivalents (A + B + C)</b>	<b>11,235.34</b>
	Cash and cash equivalents at the beginning of the year	34,839.60
	Cash and cash equivalents at the end of the year	46,074.94

See accompanying notes to the Financial Statements

For and on behalf of the Board of Directors,

sd/-  
**Thomas John Muthoot**  
Managing Director

sd/-  
**Thomas Muthoot**  
Executive Director and  
Chief Financial Officer

Thiruvananthapuram  
30/06/2015

sd/-  
**Thomas George Muthoot**  
Director

sd/-  
**Mathai T.D.**  
Company Secretary

Vide our report dated 30/07/2015 attached  
For A.Chريان & Associates  
Chartered Accountants  
Firm Regn. No. - 0114565

sd/-  
**CA. Abraham Chريان**  
Proprietor, M.No.202759



# MUTHOOT FINCORP LIMITED

## Significant Accounting Policies and Notes to Consolidated Financial Statements for the year ended 31 March 2015

### I. OVERVIEW

#### 1. Nature of Operations

Muthoot Fincorp Limited (the "Holding Company") is a Public Limited Company operating in India and is incorporated under the provisions of the Companies Act 1956, with an authorised capital of Rs.20,000 lakhs, comprising of 2,000 lakhs equity shares of Rs.10/- each. The Company is a Non Deposit Accepting Non-Banking Financial Company (NBFC) registered with the Reserve Bank of India (RBI) and is classified as a Non Deposit Taking Systemically Important Loan Company (NDSI).

The company has 3 subsidiaries, Muthoot Housing Finance Company Limited, Muthoot Pappachan Technologies Limited and Muthoot Microfin Limited (formerly known as Pancharatna Securities Limited), which are incorporated in India.

Muthoot Housing Finance Company Limited is a Housing Finance Company registered with the National Housing Board ("NHB") under Section 29 A of the National Housing Bank Act, 1987 and primarily engaged in housing finance activities. The company was incorporated on 05<sup>th</sup> March, 2010, and received the Certificate of Registration from the NHB on 11<sup>th</sup> February, 2011, enabling the company to carry on business as a Housing Finance Company without accepting Public Deposits. The company received its Certificate of Commencement of Business on 1st June 2011.

Muthoot Pappachan Technologies Private Ltd was formed on 16th November 2012. The company was converted to Muthoot Pappachan Technologies Ltd on 5th July 2013. The company provides consulting-led integrated portfolio of Information Technology (IT) and IT-enabled services.

Muthoot Microfin Limited (formerly known as Pancharatna Securities Limited), was incorporated on 6<sup>th</sup> April, 1992 and is primarily engaged in the business of microfinance services and providing credit facilities to its clients. Muthoot Fincorp acquired 94% of the equity of the company on 29/09/2012, which was further enhanced to 94.55% on 15/01/2014.

### 2. Consolidated Financial Statements

The Consolidated Financial Statements ("CFS") include results of the following subsidiaries of Muthoot Fincorp Limited, consolidated in accordance with Accounting Standard-21 'Consolidated Financial Statements':

Name of the company	Country of incorporation	% shareholding of Muthoot Fincorp Limited	Consolidated as
Muthoot Housing Finance Company Limited	India	66.62%	Subsidiary
Muthoot Pappachan Technologies Limited	India	60.00%	Subsidiary
Muthoot Microfin Limited	India	94.55%	Subsidiary



(b) Disclosure in terms of Schedule III of the Companies Act, 2013:

(Rs. in lakhs)

Name of the company	Net Assets (Total Assets minus Total Liabilities)		Share in Profit or Loss	
	As a % of consolidated net assets	Amount	As a % of consolidated profit and loss	Amount
Muthoot Fincorp Limited	99.61%	133,362.33	100%	8,042.60
Muthoot Housing Finance Company Limited	0.54%	732.94		
Muthoot Pappachan Technologies Limited	(0.16%)	(212.91)		
Muthoot Microfin Limited	0.01%	7.14		

### 3. Principles of Consolidation

(a) The CFS of the Group has been prepared based on a line-by-line consolidation of the Balance Sheet, as at March 31, 2015 and Statement of profit and loss and cash flows of the Company and its Subsidiaries for the year ended March 31, 2015.

(b) The financial statements of the Subsidiaries used for consolidation are drawn for the same reporting period as that of the Company i.e. year ended March 31, 2015.

(c) All material inter-company transactions and balances between the entities have been eliminated in the CFS.

(d) The CFS has been prepared using uniform accounting policies, except as stated otherwise, for similar transactions and are presented to the extent possible, in the same manner as the Company's standalone financial statements.

(e) The excess of cost to the Company of its investment in the subsidiary companies over its equity of the subsidiary companies, at the date on which the investment in the subsidiary companies are made, is recognized as Goodwill, if any.

(f) Minority interest, if any, in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the date on which investment are made by the Company in the subsidiary companies and further movement in their share in the equity, subsequent to the date of investment as stated above.

(g) Since the company has prepared these Consolidated Financial Statements for the first time, no previous year comparatives have been presented, which is in accordance with Clause 41 of Accounting Standard (AS) 21.

(h) Notes to these Consolidated Financial Statements are intended to serve as a means of informative disclosure and a guide to better understanding of the consolidated position of these companies. Recognising this purpose, the company has disclosed only such notes from the individual financial statements, which fairly present the needed disclosures.

## II. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

### a. Basis of Preparation

The CFS of the Group has been prepared in accordance with generally accepted accounting principles in India. The management has prepared these CFS to comply in all material respects with the Accounting Standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014, the guidelines issued by the Reserve Bank of India as applicable to a non-deposit accepting NBFC and the guidelines issued by the National Housing Bank. The CFS has been prepared under the historical cost convention and on an accrual basis except for non-performing assets, for which income is recognized on realization basis.



b. **Use of Estimates**

The preparation of the financial statements required the Management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, revenues and expenses and disclosures relating to the contingent liabilities. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods. Estimates include provision for doubtful debts and advances, employee benefit plans, provision for income taxes and provision for diminution in value of investments.

c. **Tangible Fixed assets**

Fixed Assets are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. The cost comprises of purchase price and directly attributable cost for bringing the asset to its working condition for the intended use.

Any trade discounts and rebates are deducted in arriving the purchase price.

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

d. **Intangible assets:**

Intangible Assets are stated at cost, net of amortisation. Computer Software is amortised over a period of three years on straight line method.

e. **Depreciation on Tangible Fixed Assets:**

Considering the applicability of Schedule II to the Companies Act, 2013, the management has re-estimated the useful lives and residual values of all its fixed assets.

During the year, the Holding Company has aligned to the Straight Line Method of depreciation as against the Written Down Value method followed by it except for leasehold improvements up to the previous year. The management has taken a view to bring all assets under SLM method which gives a more realistic view of the assets compared to its useful life. Had the previous method been followed in the current year, there would have been an additional depreciation of Rs.4,053.85 lakhs.

The subsidiaries of the holding company follow the Written Down Value Method of depreciation except for Leasehold Improvements, which are provided for on Straight Line Method over the primary lease period of premises.

Depreciation on assets acquired/sold during the year is recognised on pro-rata basis in the statement of profit and loss from the date of acquisition or till the date of sale.

f. **Investments**

Investments intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as Non-Current Investments.

Current Investments are carried in the Financial Statements at lower of cost or fair market value on individual investment basis. During the year, provision for fluctuation in value of current investments is recognised to the extent of the diminution in value.

Non-Current Investments are normally carried at cost. However provision for diminution in value is made to recognise a decline, other than temporary in nature.



On disposal of an investment, the difference between its carrying amount and net proceeds of disposal are recognised in the profit and loss account.

g. **Human Resources and benefits**

**SHORT TERM EMPLOYEE BENEFITS**

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

**POST EMPLOYMENT BENEFITS**

**Defined Contribution Plan**

**Provident Fund/ESIC**

Contributions are made to Employees Provident Fund Organisation 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

**Defined Benefit Plan**

**Retirement benefits**

The company has provided for gratuity benefits payable to its employees based on actuarial valuation done in line with Accounting Standard 15 – 'Employee Benefits' issued by Institute of Chartered Accountants of India.

**Earned Leave benefits**

The company has provided for earned leave benefits payable to its employees based on actuarial valuation done in line with Accounting Standard 15 – 'Employee Benefits' issued by Institute of Chartered Accountants of India.

h. **Foreign Exchange Transactions**

Foreign currency transactions are recorded, on initial recognition, by applying to the foreign currency amount the exchange rate at the date of the transaction. Non-monetary items, which are carried in terms of historical cost denominated in foreign currency, are reported using the exchange rate at the date of the transaction, if any.

During the year, the Holding Company has availed a Foreign Currency Loan (fully covered by a Forward Contract). On a prudent basis, the company has not translated the said loan using the exchange rate as on the Balance Sheet date as it results in a forex gain. It has recognized the total premium on the contract on pro-rata basis over the life of the Forward Contract.

i. **Taxes on Income**

Income tax expense is the aggregate amount of current tax and deferred tax expense of the company. The current tax expense and deferred tax expense is determined in accordance with the provisions of the Income Tax Act, 1961 and as per Accounting Standard 22 - Accounting for Taxes on income issued by the Institute of Chartered Accountants of India, respectively. Deferred tax adjustments comprise changes in the deferred tax assets or liabilities during the year. Deferred tax assets and liabilities are recognised on a prudent basis for the future tax consequences of timing differences arising between the carrying values of assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using tax rates and tax laws which are in force as at the balance sheet date. The impact of changes in deferred tax assets and liabilities is recognised in the profit and loss account.

Deferred tax assets are recognised and re-assessed at each reporting date, based upon management's judgement as to whether their realisation is considered as reasonably certain.



Provision for Minimum Alternate Tax (MAT) is accounted when tax payable as per provision for Section 115JB of the Income Tax Act, 1961 is higher than the tax payable under normal provision of the Act. MAT Credit entitlement is recognized as an asset only if there is convincing evidence for realisation of such assets during the specified period. MAT credit entitlement is reviewed at each Balance Sheet date.

j. **Impairment of Assets**

The Company assesses at each Balance Sheet date whether there is an indication of impairment of any asset. If any indication exists, the Company estimates the recoverable amount of the assets. The recoverable amount of the assets is the greater of the net selling price and value in use of the asset. Where the carrying amount of the asset is greater than its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. If the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Profit and Loss Statement.

An assessment is made at each Balance Sheet date about the existence or decrease of previously recognized impairment losses. If such indication exists, the recoverable amount is estimated and the asset is reflected at the recoverable amount.

k. **Revenue recognition**

Revenue is recognised to the extent that it is probable that economic benefits will flow to the company and the revenue can be reliably measured. The revenue recognition is as under:

- a. Interest, finance charges, service charges etc. are recognized as income on accrual basis with reference to the terms of contractual commitments and finance agreements entered into with borrowers, as the case maybe, except in the case of non-performing assets where income is recognized on receipt basis.
- b. Income from services is recognised as per the terms of contract on accrual basis.
- c. Interest income on deposit accounts with banks is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.
- d. The prudential norms for income recognition prescribed under the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 are complied with.

l. **Borrowing Cost**

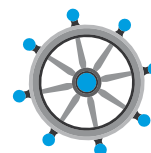
Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Processing fee incurred by one of the subsidiaries is recognized on straight line basis over the tenor of the loan as against upfront recognition followed by the Group.

m. **Leases**

Assets acquired on lease where a significant portion of risk or rewards of ownership are retained by the Lessor are classified as Operating Leases. Lease rentals are charged to the Statement of Profit and Loss on accrual basis.





### III. ACCOUNTING POLICY ALIGNMENT IN CFS

In respect of the following components of Consolidated Financial Statements, it is not practicable to align the accounting policies followed by a subsidiary Company:

(Rs. In lakhs)

Component of CFS	Particulars	Amount	% of the total component
Depreciation	All the 3 subsidiary companies have provided depreciation on Written Down Value as against Straight Line Method followed by the Company	96.87	1.18%
Accumulated depreciation	All the 3 subsidiary companies have provided depreciation on Written Down Value as against Straight Line Method followed by the Company	31.07	0.15%
Loan processing fees	One of the subsidiaries recognizes loan processing fee on straight line basis over the tenor of the loan as against upfront recognition followed by the Group	43.47	3.19%

### IV. NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

#### 1. Share capital

(Rs. in Lakhs)

Particulars	March 31, 2015
Authorised:	
20,00,00,000 equity shares of Rs.10/- each (previous year 20,00,00,000) shares of Rs.10/- each)	20,000.00
Issued, Subscribed and paid-up:	
18,65,62,700 equity shares of Rs.10/- each (previous year 18,65,62,700) shares of Rs.10/- each)	18,656.27
<b>Total</b>	<b>18,656.27</b>

The shareholders who hold more than 5% shares in the company and their capital contributions are as follows:

Name of shareholders	No of shares	Amount (Rs lakhs)	Percent (%)
Mr. Thomas John Muthoot	4,91,66,416	4,916.64	26.35
Mr. Thomas George Muthoot	4,91,66,416	4,916.64	26.35
Mr. Thomas Muthoot	4,91,66,416	4,916.64	26.35
Ms. Preethi John Muthoot	1,30,20,818	1,302.09	6.98
Ms. Nina George	1,30,20,817	1,302.08	6.98
Ms. Remy Thomas	1,30,20,817	1,302.08	6.98
<b>Total</b>	<b>18,65,61,700</b>	<b>18,656.17</b>	<b>99.99</b>

Out of the above 9,37,50,000 shares were issued to the shareholders as fully paid up bonus shares.

Reconciliation of number of shares at the beginning of the year and at the closing of the year is as follows.



Particulars	Year ended March 31, 2015	
	No of shares	Amount (Rs. Lakhs)
Position at the beginning of the year	18,65,62,700	18,656.27
Fresh issue during the year	0	0.00
Position at the end of the year	18,65,62,700	18,656.27

## 2. Reserves and surplus

(Rs. in Lakhs)

Particulars	March 31, 2015
a. Securities Premium Reserve	23,844.13
b. Statutory Reserve	27,009.38
c. Special Contingency Reserve	8,882.93
d. Debenture Redemption Reserve	11,028.91
e. Surplus	42,845.54
f. Special Reserve	0.46
<b>Total</b>	<b>1,13,611.35</b>

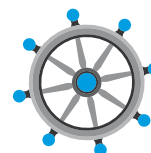
The Holding Company has appropriated 20% of the profit after tax as Statutory Reserve as stipulated in Reserve Bank of India Regulations. The company has created a Debenture Redemption Reserve of 25% of the total value of debentures issued to public as required under Rule 18, sub-rule 7 of the Companies (Share Capital and Debentures) Rules, 2014. The company has appropriated the same out of the current surplus and the balance out of carried forward surplus. Hence, the company was unable to appropriate the Special Contingency Reserve and the 5% excess Statutory Reserve, which was being followed voluntarily and consistently by the company.

Pursuant to National Housing Bank's (NHB) Circular No.65/2014-15 dated August 22,2014, Muthoot Housing Finance Company Limited created Deferred Tax Liability on Special Reserve u/s. 36(1)(viii) of the Income Tax Act, 1961. As required by the said circular, a sum of Rs. 7.96 lakhs has been transferred from the opening balance of Profit & Loss Account as on April 01, 2014.

Reconciliation of figures as at beginning and close of the reporting period are as follows.

(Rs. in Lakhs)

Particulars	March 31, 2015
a. Securities Premium Reserve	
Balance as per last balance sheet	23,844.13
Additions during the year	0.00
Closing balance	<b>23,844.13</b>
b. Statutory Reserve	
Balance as per last balance sheet	25,333.96
Additions during the year	1,675.42
Closing balance	<b>27,009.38</b>
c. Special Contingency Reserve	
Balance as per last balance sheet	8882.93
Additions during the year	0.00
Closing balance	<b>8,882.93</b>



d. Debenture Redemption Reserve	
Balance as per last balance sheet	0.00
Additions during the year	11,028.91
Closing balance	<b>11,028.91</b>
e. Surplus	
Balance as per last balance sheet	47,814.77
Profit for the year	8,042.60
Less: Appropriations:	
Statutory Reserve	1,675.42
Special Contingency Reserve	0.00
Debenture Redemption Reserve	11,028.91
Deferred Tax Liability on Special Reserve	7.96
Less: Transfer to Minority Interest	299.54
Closing balance	<b>42,845.54</b>
f. Special Reserve	
Balance as per last balance sheet	0.46
Additions during the year	0.00
Closing balance	<b>0.46</b>

### 3. Long term borrowings

(Rs. in Lakhs)

Particulars	March 31, 2015
<b>(a) Bonds/ debentures</b>	
Secured Debentures	94,601.78
<b>(b) Term loans</b>	
From Banks:	35,101.05
From other parties	3,031.58
<b>(c) Other loans and advances</b>	
Subordinate debts	140,106.31
Tier I Capital - Perpetual Debt Instruments	14,400.00
Tier II Capital- Perpetual Debt Instruments	0.00
Inter Corporate Deposit	50.00
Interest Payable	27,057.56
<b>Total</b>	<b>3,14,348.28</b>

#### a. Long term borrowings - Secured debentures

Secured Debentures issued by the Holding Company includes non-convertible debentures issued by way of Public Issue as well as Private Placement. Privately placed secured debentures are secured by a charge on receivables, both present and future. Debentures issued by way of public issue are secured against charge on current assets, book debts, receivables (both present & future) and immovable property of the company admeasuring 54 cents. Secured debentures are grouped into current and non-current based on maturity profile. All secured debentures falling due



after March 31, 2016 are categorised as Non-current liability. Interest accruing and falling due after March 31, 2016 has also been categorised as Non-current liability.

The company raised Rs.44,115.65 lakhs, during the year by way of NCD public issues.

The maturity pattern of Secured Debentures in the descending order of maturity are as follows (includes Current portion also):

Financial year of maturity	Grand total (Rs. in lakhs)
2019-20	127.63
2018-19	128.53
2017-18	31,221.63
2016-17	63,123.99
2015-16	79,357.59
Total	173,959.37

**b. Term loans**

**(i) Long term borrowings -Term loan from banks**

Term loans from banks availed by the Holding Company are secured by first / pari-passu charges on the respective Fixed Assets / Current Assets. The principal portion of repayments which fall due after March 31, 2016 are categorised as Non-current liability. The repayment terms are as below:

- Rs.3,667.31 lakhs outstanding secured against Branch Fixed Assets repayable in 24 monthly instalments of Rs.145 lakhs & last instalment of Rs.144.98 lakhs
- Rs.10,792.94 lakhs outstanding secured against Branch Fixed Assets repayable in 37 monthly instalments of Rs.288.33 lakhs & last instalment of Rs.0.15 lakhs
- Rs.47.00 lakhs outstanding secured against windmills with HTSC No: 3326 & HTSC No: 3375 repayable in 2 monthly instalments of Rs.21.67 lakhs & last instalment of Rs.3.67 lakhs
- Rs.1,181.39 lakhs outstanding secured against Branch Fixed Assets repayable in 14 monthly instalments of Rs.83.33 lakhs & last instalment of Rs.0.20 lakhs
- Rs.851.28 lakhs outstanding secured against three 1500KW windmills with HTSC Nos. 3537, 3643, 3644 & land appurtenant thereto at Tirunelveli district, Tamil Nadu repayable in 35 monthly instalments of Rs.23.64 lakhs & last instalment of Rs.13.86 lakhs
- Rs.218.15 lakhs outstanding secured against 5,960sq.ft. of building space at Crescenzo, Bandra Kurla Complex, Mumbai repayable in 9 monthly instalments of Rs.23.33 lakhs & last instalment of Rs.8.18 lakhs
- Rs.410.80 lakhs outstanding secured against 6,350sq.ft. SBUA with UDS 795.30sq.ft. in World Trade Centre, Brigade Gateway, Bangalore repayable in 115 monthly instalments of Rs.3.55 lakhs & last instalment of Rs.2.55 lakhs
- Rs.39.56 lakhs outstanding secured against Vehicle - Jaguar XF 2.2 repayable in 36 monthly instalments on diminishing value basis

Term Loans from banks availed by Muthoot Housing Finance Company Limited are secured by way of hypothecation of Loan Receivables equivalent to the security cover provided to the respective bank. The loans are further guaranteed by promoter directors (Mr. Thomas Muthoot, Mr. Thomas George Muthoot and Mr. Thomas John Muthoot). The repayment terms are as below:



- Rs.1785.80 lakhs outstanding repayable in 84 monthly instalments after 1 month from the disbursement
- Rs.3,448.00 lakhs outstanding repayable in 25 quarterly instalments after 9 months from its disbursement
- Rs.2,500.00 lakhs outstanding repayable in 28 quarterly instalments after 12 months from the disbursement
- Rs.1,383.00 lakhs outstanding repayable in 78 monthly instalments after 6 months from the disbursement
- Rs.1,269.24 lakhs outstanding repayable in 26 quarterly instalments after 6 months from the disbursement
- Rs.1,396.56 lakhs outstanding repayable in 58 quarterly instalments after 6 months from the disbursement
- Rs.2,500 lakhs outstanding repayable in 120 monthly instalments after 12 months from the disbursement
- Rs.8,112.25 lakhs outstanding repayable in 84 monthly instalments after 12 months from the disbursement
- Rs.2,500 lakhs outstanding repayable in 20 quarterly instalments after 12 months from the disbursement
- Rs.1,794.87 lakhs outstanding repayable in 78 monthly instalments after 6 months from the disbursement
- Rs.2,039.47 lakhs outstanding repayable in 114 monthly instalments after 6 months from the disbursement

(ii) Long term borrowings -Term loan from other parties

The loan outstanding of Rs.39.36 lakhs of the Holding Company is secured against the property at DLF Garden City, Chennai, repayable in 50 monthly instalments on diminishing value basis

Term loans of Muthoot Housing Finance Company Limited from other financial institutions are secured by way of hypothecation of Loan Receivables of the company equivalent to security cover provided to respective lender.

- Rs.1,886.68 lakhs outstanding repayable in 60 monthly instalments after 1 month from the disbursement
- Rs.1,999.44 lakhs outstanding in 48 EMI's

The principal portion of repayments due after March 31, 2016 are categorised as Non-Current Liability.

**c. Other Loans & Advances**

(i) Subordinate Debt instruments issued by the Holding Company are unsecured, subordinated to the claims of other creditors with an initial maturity of over 5 years.

The maturity pattern of subordinate debt in the descending order of maturity are as follows (includes Current portion also):

Financial year of maturity	Grand total (Rs. In lakhs)
2021-22	3,848.69
2020-21	30,891.52
2019-20	37,776.43
2018-19	41,587.36
2017-18	22,002.31
2016-17	4,000.00
2015-16	0.00
<b>Total</b>	<b>1,40,106.31</b>

(ii) Perpetual Debt Instruments of the Holding Company are perpetual, unsecured instruments, which have been as per RBI guidelines.

(iii) Inter-Corporate Deposit is also unsecured & non-current in nature.



#### 4. Deferred Tax Asset/Liability (Net)

(Rs. in Lakhs)

Particulars	March 31, 2015
Opening balance	(848.42)
Timing difference in depreciation	2,399.13
Timing difference in provision for NPA	(21.03)
Timing difference in provision for Gratuity	(132.00)
Timing difference in provision for EL	(3.71)
Timing difference in provision for Variable Pay	10.37
Timing difference for Preliminary Expenses	0.01
Timing difference on Unamortized Processing Fee	29.15
Timing difference on Unabsorbed Losses	(7.01)
Deferred Tax Liability on Special Reserve	7.96
Net deferred tax liability	2,282.87
<b>Closing Balance</b>	<b>1,434.45</b>

The Group has taken a view that all standard assets are good. Therefore, the provision for standard assets is considered as a permanent difference by nature and hence not considered for calculation of deferred tax.

Pursuant to National Housing Bank's (NHB) Circular No.65/2014-15 dated August 22,2014, Muthoot Housing Finance Company Limited created Deferred Tax Liability on Special Reserve u/s. 36(1)(viii) of the Income Tax Act, 1961. As required by the said circular, a sum of Rs. 7.96 lakhs has been transferred from the opening balance of Profit & Loss Account as on April 01, 2014.

#### 5. Long Term Provisions

(Rs. in Lakhs)

Particulars	March 31, 2015
a) Provision for Employee Benefits – Gratuity	8.58
b) Other Provisions	
Contingent Provision against Standard Assets	144.81
Provision against Sub-Standard Assets	113.87
Provision against Doubtful Assets	41.31
<b>Total</b>	<b>308.57</b>

#### 6. Short Term Borrowings

(Rs. in Lakhs)

Particulars	March 31, 2015
a) Loans repayable on demand	
From Banks:	
- Working Capital Loan (secured)	5,27,890.98
b) Loans and advances from related parties	
Loans From Directors (unsecured)	0.00
<b>Total</b>	<b>5,27,890.98</b>



From Banks:

- Working Capital Loan:

Working capital loans are fully secured against Gold Loan receivables and other current assets of the Company both present and future.

- Term loan- Current portion

Term loans from banks are secured against fixed assets of the company (detailed under Schedule 3 – Term Loans under Long Term Borrowings). The principal portion of repayments due on or before March 31, 2016 are categorised as current liability under Other Current Liabilities.

## 7. Trade Payables

(Rs. in Lakhs)

Particulars	March 31, 2015
Sundry Creditors	648.47

## 8. Other Current Liabilities

(Rs. in Lakhs)

Particulars	March 31, 2015
Expenses Payable	10,594.02
Taxes & Duties Payable	4,084.83
Current maturities of Long Term Borrowings	
- Secured Debentures	79,355.94
- Term Loans	11,730.48
Other Liabilities	2,123.71
<b>Total</b>	<b>107,888.98</b>

## 9. Short term provisions

(Rs. in Lakhs)

Particulars	March 31, 2015
Provision for Standard Assets	2,764.79
Provision for NPA	4,635.75
Provision for Income Tax (net of advance tax and TDS)	3,043.42
Provision for Gratuity	1,259.84
Provision for Earned leave encashment	188.85
Provision for Investment price fluctuation	16.65
Provision Against Emi/Pemi Receivable	1.23
Provision For Variable Pay To Employees	31.00
<b>Total</b>	<b>11,941.53</b>

All credit exposures are classified as per RBI guidelines, into performing and non-performing assets ("NPA"). Further, NPAs are classified into substandard, doubtful and loss assets based on the criteria stipulated by RBI.

In addition to the specific provisions on NPAs, the Holding Company has made a provision for standard assets at the rate of 0.25% in conformity with RBI guidelines. Provisioning for the Housing Finance Loans have also been provided for as per RBI guidelines. As far as Micro Finance Loans are concerned, the company has provided 1% of the assets as provision for standard assets.



## 10. Fixed Assets and Depreciation

SL NO	PARTICULARS	GROSS BLOCK			COST AS ON 31.03.2015	DEPRECIATION			NET BALANCE AS AT 31.03.2015
		OPENING COST	ADDITIONS FOR THE YEAR	SALES DURING THE YEAR		Written back/ (Additional depreciation)	FOR THE YEAR	UPTO 31.03.2015	
1	AIR CONDITIONER	807.66	23.23	-	831.19	143.37	40.21	118.69	712.50
2	BANK COUNTER & FIXTURES	35,549.54	732.23	1,079.75	35,202.02	-	3,812.04	16,291.59	18,910.43
3	LEASEHOLD IMPROVEMENTS	20.37	12.57	-	32.94	-	12.50	14.70	18.24
4	BIO GAS PLANT	16.89	-	-	16.89	-7.39	0.84	16.89	-
5	BUILDINGS	4,643.57	-	-	4,643.57	313.30	73.52	208.14	4,435.43
6	CALCULATOR	0.57	-	-	0.57	-0.12	0.03	0.57	-0.00
7	CASH COUNTING MACHING	36.39	0.57	-	36.96	6.51	5.73	11.33	25.63
8	CD PLAYER	0.66	-	-	0.66	-0.11	0.03	0.66	0.00
9	CLOSED CIRCUIT CAMERA	4.82	-	-	4.82	-2.33	0.24	2.25	-
10	COFFEE VENDING MACHINE	4.45	-	-	4.45	0.31	4.35	4.46	-0.01
11	COMPUTER SYSTEM	5,552.18	683.34	0.10	6,235.41	264.87	1,350.50	4,316.32	1,919.09
12	CYCLE	0.28	-	-	0.28	-0.03	0.01	0.28	-0.00
13	ELECTRICAL EQUIPMENTS	66.76	90.39	-	157.15	22.89	15.92	30.28	126.87
14	ELECTRICAL FITTINGS	11.56	-	-	11.56	3.47	8.53	11.56	-0.00
15	ELECTRONIC DIGITAL BOARD	4.82	-	-	4.82	-2.19	0.24	4.82	-0.00
16	ELECTRONIC EQUIPMENTS	67.85	21.18	-	89.03	5.05	8.52	22.44	66.59
17	ELECTRONIC WEIGHING BALANCE	535.40	13.14	-	548.54	80.20	60.68	100.10	448.44
18	EPABX	21.94	3.15	-	25.09	6.73	3.88	7.24	17.85
19	FAKE NOTE DETECTOR	49.55	-	-	49.55	7.90	5.64	11.00	38.55
20	FAX MACHINE	1.27	-	-	1.27	-0.67	0.06	1.27	0.00
21	FIRE EXTINGUISHER	429.23	32.81	-	462.04	-24.07	95.03	189.48	272.56
22	FURNITURE & FITTINGS	3,661.80	356.85	-	4,018.65	708.57	511.40	1,122.75	2,895.91
23	GENERATOR	9.19	6.86	-	16.05	1.51	1.26	1.66	14.40
24	LAND	2,314.59	-	377.69	1,936.90	-	-	-	1,936.90
25	LIBRARY	0.36	-	-	0.36	-0.10	0.02	0.35	0.01
26	NEON BOARD	5,337.93	185.91	-	5,523.84	1,039.33	720.56	1,442.59	4,081.25
27	OFFICE EQUIPMENTS	18.00	7.18	-	25.19	-5.55	5.65	15.34	9.85
28	PAPER SHREDDER	0.57	-	-	0.57	-0.42	0.03	0.57	-0.00
29	PHOTO COPY MACHINE	1.90	0.15	-	2.05	0.13	1.80	1.91	0.13
30	SAFETY DEVICE SYSTEM	1,426.90	1,060.80	-	2,487.70	123.08	131.47	193.91	2,293.79
31	SOFTWARE	125.01	49.70	-	174.71	4.94	44.71	85.37	89.34
32	STABILIZER	3,756.77	325.51	-	4,082.28	470.71	498.23	958.15	3,124.13
33	STRONG ROOM	5,881.02	5.03	-	5,886.05	504.27	243.38	626.32	5,259.73
34	TELEVISION	25.04	2.07	-	27.11	0.51	5.05	6.31	20.80
35	TOOLS & SPARES	0.31	-	-	0.31	-0.09	0.02	0.31	-
36	VEHICLE	394.23	59.27	7.01	446.49	164.31	53.80	142.99	303.50
37	WIND ELECTRIC GENERATOR	11,850.92	-	-	11,850.92	4,226.14	511.74	3,376.25	8,474.67
	<b>TOTAL</b>	<b>82,630.29</b>	<b>3,672.24</b>	<b>1,464.55</b>	<b>84,837.98</b>	<b>8,051.68</b>	<b>8,227.64</b>	<b>29,341.41</b>	<b>55,496.57</b>
38	INTANGIBLE ASSETS UNDER DEVELOPMENT	350.05	320.63	-	670.68	-	-	-	670.68
	<b>GRAND TOTAL</b>	<b>82,980.34</b>	<b>3,992.87</b>	<b>1,464.55</b>	<b>85,508.66</b>	<b>8,051.68</b>	<b>8,227.64</b>	<b>29,341.41</b>	<b>56,167.25</b>



**11. Non-Current Investments****(Rs. in Lakhs)**

Particulars	March 31, 2015
<b>(i) Quoted - at cost</b>	
HDFC-Asset Management Co. Ltd	87.90
Bhavishya Nirman Bond (NABARD)	4.99
<b>(ii) Unquoted - at cost</b>	
Edelweiss Asset Reconstruction Co Ltd	672.25
Muthoot Pappachan Chits India Pvt Ltd	8.00
<b>Total</b>	<b>773.14</b>

**12. Long Term Loans and advances****(Rs. in Lakhs)**

Particulars	March 31, 2015
Building deposits	8,410.95
Advances Secured & Considered Good	36,202.90
Advances Secured & Considered Doubtful	924.38
Other Advances	120.21
<b>Total</b>	<b>45,658.44</b>

MAT Credit Entitlement of Rs.43.49 lakhs (under Other Advances), is based on the future performance, as projected by the management of Muthoot Housing Finance Company Limited, based on the existing contractual agreements, which have been relied upon by the auditors.

**13. Current Investments****(Rs. in Lakhs)**

Particulars	March 31, 2015
<i>Quoted-at cost/Market Value whichever is lower</i>	
Fully paid Equity shares in DP a/c with MOSL	73.48
<b>Total</b>	<b>73.48</b>

**14. Trade Receivables****(Rs. in Lakhs)**

Particulars	March 31, 2015
Sundry Debtors:	
▪ More than 180 days	283.68
▪ Other debts	1,012.19
<b>Total</b>	<b>1,295.87</b>

**15. Cash and Cash Equivalents****(Rs. in Lakhs)**

Particulars	March 31, 2015
a. Cash in hand	11,249.51
b. Forex balance	392.29
c. Cash at Bank : In Current Account (with scheduled banks)	26,432.22
d. Cash at Bank : In Deposit Account (with scheduled banks)	8,000.92
<b>Total</b>	<b>46,074.94</b>



## 16. Short term loans and advances

(Rs. in Lakhs)

Particulars	March 31, 2015
Retail loan Receivables:	
a. Secured and considered good	6,65,232.43
b. Considered doubtful	17,090.10
Other Loans:	
c. Secured and considered good	1,246.15
d. Considered doubtful	0.00
e. Unsecured and considered good	1,45,410.07
f. Considered doubtful	416.81
g. Advances (Receivable in Cash or in kind or for value to be received)	10,890.30
h. Considered doubtful	0.00
<b>Total</b>	<b>8,40,285.86</b>

Microfinance loans provided by the Holding Company are within the exposure limit of 10% of total assets of the Company as prescribed by RBI guidelines. During the year, the Holding Company has assigned a portion of its Microfinance portfolio amounting to Rs.7,999.94 lakhs to other Financial institutions. The Unsecured Loan as per the above note is exclusive of the assigned portfolio.

## 17. Other current assets

(Rs. in Lakhs)

Particulars	March 31, 2015
Deposits	588.21
Interest Receivable	55,347.76
Inter Corporate Deposits	239.03
Advance to Suppliers	537.30
Other Current Assets	51,309.48
<b>Total</b>	<b>1,08,021.78</b>

## 18. Revenue from Operations

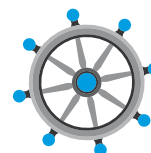
(Rs. in Lakhs)

Particulars	March 31, 2015
Interest on Retail Loan	164,098.97
Interest on Unsecured Loan	30,053.28
Interest on Secured Loan	748.14
Income from Forex operations	365.78
Income from Money transfer business	1,054.47
<b>Total</b>	<b>196,320.64</b>

## 19. Other Income

(Rs. in Lakhs)

Particulars	March 31, 2015
Income from Power generation	947.41
Interest on Bank deposit	495.63
Income from Investments	823.43
Commission received	850.13
Income from Financial Services – Housing	242.63



Miscellaneous income	461.33
Provision written back	8,095.79
<b>Total</b>	<b>11,916.35</b>

**20. Employee benefits expense****(Rs. in Lakhs)**

Particulars	March 31, 2015
Remuneration to Directors	480.00
Salaries & Allowances	30,927.21
Incentives	2,034.72
PF & ESI contributions	1,532.51
Staff welfare expenses	236.32
Bonus & Ex-gratia	161.23
<b>Total</b>	<b>35,371.99</b>

**Remuneration to Directors**

Remuneration has been paid to the Managing Director and the Executive Director cum Chief Financial Officer has been paid by the Holding Company, as per the terms of appointment and within the permissible limits under the Companies Act, 2013. The Director who is eligible for commission has voluntarily waived the same.

**Provident Fund / ESI**

Muthoot Pappachan Consultancy & Management Services, being the prime and central management of Muthoot Pappachan Group, the Company has decided to provide the benefits of Provident Fund to its employees by continuing under the Employees Provident Fund Scheme of Muthoot Pappachan Consultancy & Management Services.

**Leave Encashment**

Leave encashment expenses have been provided for on the basis of actuarial valuation.

**Gratuity**

Retirement benefits are provided for on the basis of actuarial valuation.

**21. Finance cost****(Rs. in Lakhs)**

Particulars	March 31, 2015
a. Interest on Secured Debentures	22,792.18
b. Interest on Loan from Banks	72,081.24
c. Interest on Directors Loan	79.20
d. Interest on Sub Debts	16,890.73
e. Interest on Inter Corporate Deposits	17.10
f. Interest on Perpetual Debt Instruments	1,728.00
g. Interest on Commercial Paper	1,239.86
h. Other Financial charges	1,362.35
<b>Total</b>	<b>1,16,190.66</b>

During the year, Muthoot Housing Finance Company Limited had changed its accounting policy with regards to processing fee, incurred for raising funds. Earlier such costs were immediately charged to the statement of Profit & Loss as and when the same was incurred. Now, costs related to such processing fee are amortized over the tenure of the loan. Had this change not been carried out, loss for the year would have been further higher by Rs.94.35 lakhs.



## 22. Other expenses

(Rs. in Lakhs)

Particulars	March 31, 2015
Rent, Rates & Taxes	14,517.04
Electricity & Water Charges	1,579.98
Repairs & Maintenance - Building	749.50
Repairs & Maintenance - Others	935.76
Sitting Fee to Directors	11.25
Insurance	402.99
Security Charges	6,488.14
Marketing expenses	1,706.97
Business promotion	325.92
Travelling Expenses	2,044.10
Telephone Charges	1,567.82
Printing & Stationery	765.86
Professional charges	1,024.07
Donation and CSR Expenses	188.17
Postage and Telegram	519.19
Miscellaneous expenses	15.22
Other Office Expenses	453.78
Provisions and write offs	2,128.63
<b>Total</b>	<b>35,424.39</b>

## 23. Provisions and contingent liabilities

Liabilities of a contingent nature are generally not provided for in the books of accounts but are disclosed at their estimated values. A provision is recognized when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the obligation. Disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made unless it is required under Statute.

- The Holding Company has given Guarantees for an amount of Rs. 16.20 Lakhs to banks. The company is contingently liable to the banks to that extent.
- The Holding Company has assigned Microfinance Receivables amounting to Rs.7,999.94 lakhs to financial institutions during the year. The Unsecured Loan outstanding in the Balance Sheet as on 31. 03. 2015 has been reduced to the extent of receivables assigned.
- The Commissioner of Central Excise, Customs & Service Tax (Appeals-III) has issued Order-In-Appeal no.592/2014 dated 30.10.2014 confirming the Orders-in-Original no.04 & 05/2008 demanding tax on income received from foreign inward remittances amounting to Rs.17,17,069/-, with interest and penalty thereon, for the period between 01.02.2006 and 30.09.2007. The Holding Company has moved an appeal



to the Central Excise & Service Tax Appellate Tribunal against the order. The management is confident of a favourable ruling in the case in view of Order nos. 1115 & 1116/2009 decided in favour of Muthoot Fincorp Limited by the Hon: CESTAT, Bangalore, whereby it was ruled that commission received by the company on inward remittances is not liable to tax as it amounts to Export of Services.

- d) The Holding Company had received Orders from the Income Tax Department demanding an amount of Rs.298.87 Lakhs, Rs.689.06 Lakhs and Rs.421.80 Lakhs for the assessment years 2006-07, 2007-08 and 2008-09 respectively. For the assessment year 2008-09, the Hon: High Court of Kerala passed an order directing the assessing officer to re-examine the issue afresh, based on which the assessing officer has deleted the entire disallowance made for the year. The Holding Company had filed appeals for the assessment years 2006-07 & 2007-08 before the Hon: Income Tax Appellate Tribunal, Kochi Bench, which were set aside by the Hon: ITAT, remitting the files back to the Assessing Officer to redo the assessment based on the remarks of the Hon: High Court of Kerala in the case of the company for the assessment year 2008-09. These two cases are pending before the JCIT, Special Range, Trivandrum.
- e) Some of the branches of the Holding Company had received notices under the Kerala Money Lenders Act, 1958, for registration. The Company has gone on appeal to the Hon'ble Supreme Court challenging the said notices. The Hon'ble Supreme Court has granted an interim stay till the disposal of the appeal. Pending the resolution of the same, no adjustments have been made in the financial statements for the required license fee and Security deposits.
- f) The Estimated amount of contracts remaining to be executed on capital account and not provided for amounts to Rs.854.42 lakhs. Loan commitments in respect of partly disbursed loans is Rs.2093.54 lakhs.

#### **Show Cause Notices received, not considered as Contingent Liability**

- a) The Holding Company has been served with various show cause notices from the Service Tax Department totaling to Rs.232.19 lakhs for the periods ranging from 01.10.2007 to 31.03.2014 on the taxability of commission received on foreign inward remittance services. The company has filed replies against the notices, and on the basis of legal opinions received, is confident of favourable judgments. Since the demand has not been confirmed by an Order, the company has not considered this as a contingent liability.
- b) The Holding Company had received a show cause notice in FY 2012-13 from the Office of the Additional Director General of Central Excise Intelligence on the taxability of certain revenues of the company. The company has filed its reply to the show cause notice disputing the findings of the department. The liability estimated by the department and mentioned in the show cause notice amounts to Rs.1,263.21 Lakhs, out of which Rs.384.69 Lakhs was remitted by the company. Since the demand has not been confirmed by an Order, the company has not considered this as a contingent liability.
- c) The Holding Company has received Show Cause Notice no. 145/2014-15 dated 30.03.2015 from the Office of the Additional Director General of Central Excise Intelligence requiring the company to show cause as to why tax totalling to Rs.1,315.43 lakhs shall not be demanded against support services rendered to its sister concerns and on grounds of CENVAT Credit irregularities prior to FY2011-12. The company has sought legal opinion on the same and is in the process of filing its reply to the notice. Since the demand has not been confirmed by an Order, the company has not considered this as a contingent liability.
- d) The Holding Company has received a notice from the Reserve Bank of India to show cause as to why arm's length policy is not maintained with group concerns. The company has already submitted its reply in writing.



## 24. Information about business segments

(Rs. In Lakhs)

Particulars	Financing	Power Generation	Total
Revenue	2,07,289.57	947.42	2,08,236.99
Expenditure	1,94,797.44	417.24	1,95,214.68
Segment result	12,492.13	530.18	13,022.31
Segment asset	10,89,341.13	9,009.63	10,98,350.76
Segment liabilities	10,97,452.48	898.28	10,98,350.76
Capital expenditure	3,672.25	0.00	3,672.25
Depreciation	7,715.90	511.74	8,227.64

## 25. Related Party Disclosures:

As required by Accounting Standard – 18 on 'Related Party Disclosures' issued by Institute of Chartered Accountants of India, following information is disclosed:

### a) List of related parties as on 31.03.2015

Sl.No.	Party
	<b>COMPANY</b>
1	ALASKA AGRI PROJECTS AND HOSPITALITIES PRIVATE LIMITED
2	BAMBOO AGRI PROJECTS AND HOSPITALITIES PRIVATE LIMITED
3	BUTTERCUP AGRI PROJECTS AND HOSPITALITIES PRIVATE LIMITED
4	CALYPSO AGRI DEVELOPMENT AND HOSPITALITIES PRIVATE LIMITED
5	CINNAMON AGRI DEVELOPMENT AND HOSPITALITIES PRIVATE LIMITED
6	DOUBLE TAILS AGRI DEVELOPMENT AND HOSPITALITIES PRIVATE LIMITED
7	EL TORO AGRI PROJECTS AND HOSPITALITIES PRIVATE LIMITED
8	EMMEL REALTORS AND DEVELOPERS PRIVATE LIMITED
9	FIREWORKS AGRI DEVELOPMENT AND HOSPITALITIES PRIVATE LIMITED
10	FLAME AGRI PROJECTS AND HOSPITALITIES PRIVATE LIMITED
11	FOX BUSH AGRI DEVELOPMENT AND HOSPITALITIES PRIVATE LIMITED
12	GOBLIN AGRI PROJECTS AND HOSPITALITIES PRIVATE LIMITED
13	JUNGLE CAT AGRI DEVELOPMENT AND HOSPITALITIES PRIVATE LIMITED
14	L.M REALTORS PRIVATE LIMITED
15	LINDEN AGRI VENTURES AND HOSPITALITIES PRIVATE LIMITED
16	MANDARIN AGRI VENTURES AND HOSPITALITIES PRIVATE LIMITED
17	MARIPOSA AGRI VENTURES AND HOSPITALITIES PRIVATE LIMITED
18	MPG HOTELS AND INFRASTRUCTURE VENTURES PRIVATE LIMITED
19	MUSK AGRI VENTURES AND HOSPITALITIES PRIVATE LIMITED
20	MUTHOOT AGRI DEVELOPMENT AND HOSPITALITIES PRIVATE LIMITED
21	MUTHOOT AGRI PROJECTS AND HOSPITALITIES PRIVATE LIMITED
22	MUTHOOT AGRI VENTURES AND HOSPITALITIES PRIVATE LIMITED



23	MUTHOOT APT CERAMICS LIMITED
24	MUTHOOT AUTOMOTIVE (INDIA) PRIVATE LIMITED
25	MUTHOOT AUTOMOBILE SOLUTIONS PRIVATE LIMITED
26	MUTHOOT BUILDTECH (INDIA) PRIVATE LIMITED
27	MUTHOOT CAPITAL SERVICES LIMITED
28	MUTHOOT EQUITIES LIMITED
29	MUTHOOT HOLDINGS PRIVATE LIMITED
30	MUTHOOT HOTELS PRIVATE LIMITED
32	MUTHOOT INFRASTRUCTURE PRIVATE LIMITED
33	MUTHOOT LAND AND ESTATES PRIVATE LIMITED
34	MUTHOOT MOTORS PRIVATE LIMITED
36	MUTHOOT PAPPACHAN MEDICARE PRIVATE LIMITED
38	MUTHOOT PROPERTIES (INDIA) PRIVATE LIMITED
39	MUTHOOT RISK INSURANCE AND BROKING SERVICES PRIVATE LIMITED
40	PALAKKAD INFRASTRUCTURE PRIVATE LIMITED
41	PINE PINK AGRI VENTURES AND HOSPITALITIES PRIVATE LIMITED
42	THE RIGHT AMBIENT RESORTS PRIVATE LIMITED
43	MUTHOOT PAPPACHAN CHITS (INDIA) PRIVATE LIMITED
44	MUTHOOT EXIM PRIVATE LIMITED
45	MUTHOOT KURIES PRIVATE LIMITED
46	THE THINKING MACHINE MEDIA PRIVATE LIMITED
<b>Sl.No.</b>	<b>FIRM / LLP / TRUST</b>
1	MUTHOOT BANKERS
2	MUTHOOT CINE ENTERPRISE
3	MUTHOOT ESTATE INVESTMENTS
4	MUTHOOT FINANCE COMPANY
5	MUTHOOT INSURANCE SERVICES
6	MUTHOOT MOTORS (COCHIN)
7	MPG AIR CATERING LLP
8	MPG APEX MANAGEMENT LLP
9	MPG ASSET MANAGEMENT LLP
10	MPG AUTOMOBILES LLP
11	MPG HOSPITALITY LLP
12	MPG LAND AND ESTATE LLP
13	MPG LAND DEVELOPERS LLP
14	MPG REAL ESTATE LLP
15	MUTHOOT PAPPACHAN FOUNDATION



**b) List of Key Managerial Persons**

Sl.No.	Name of the person	Designation	Relatives
1	Thomas John Muthoot	Chairman & Managing Director	1. Janamma Thomas 2. Preethi John 3. Thomas M John 4. Susan John Muthoot
2	Thomas George Muthoot	Director	1. Nina George 2. Tina Suzanne George 3. Ritu Elizabeth George 4. Swetha Ann George
3	Thomas Muthoot	Executive Director & Chief Financial Officer	1. Remy Thomas 2. Suzannah Muthoot 3. Hannah Muthoot

**c) Transactions with persons listed in (b) above, during the year/balances Outstanding as on 31.03.2015**

(Rs. In Lakhs)

Particulars	Thomas John Muthoot	Thomas George Muthoot	Thomas Muthoot
<b>Revenue/(Expenses)</b>			
Interest accrued	287.47	287.88	287.47
Interest paid	(223.35)	-	-
Remuneration paid	(300.00)	-	(180.00)
Rent paid	(21.69)	(28.10)	(21.36)
<b>Loans Advanced</b>			
Loans advanced during the year	7,500.00	7,500.00	7,500.00
<b>Loans &amp; Guarantees accepted</b>			
Loans accepted	622.52	-	-
Loans repaid	1,256.16	-	-
Personal Guarantees	6,333.34	6,333.33	6,333.33
<b>Outstanding</b>			
Rent Payable	0.49	0.49	0.48
Subordinate Debt	870.00	-	-
Secured Loans outstanding	7,500.00	7,500.00	7,500.00
Interest Receivable	287.47	287.88	287.47
Personal Guarantees	11,666.67	11,666.67	11,666.66

**d) Transactions with entities listed in (a) above**

(Rs. in Lakhs)

Transaction	Amount
<b>Revenue</b>	
Income from services rendered	837.47
Income from renting of premises	167.33
Income from loans, deposits and other finances	7.55
<b>Expenditure</b>	
Rent paid towards premises taken on lease	11.62





Fees towards services rendered	43.15
Interest on deposits and other debt instruments	2,124.65
Donations made	21.00
<b>Assets</b>	
Loans / Security Deposits advanced	102.00
Loans repaid	(100.00)
Advance for CSR activities	187.46
Advance for property / property sale	1,670.85
Assignment / Buyout	(2,999.97)
<b>Liabilities</b>	
Loans / ICD's accepted	700.00
Loans / ICD's repaid	700.00

d) Outstanding with entities listed in (a) above

(Rs. in Lakhs)

Transaction	Amount
<b>Assets (Receivables)</b>	
Against Services rendered	31.30
Against Renting of premises	13.05
Against Advance for CSR activities	52.56
<b>Liabilities (Payables)</b>	
Against Services rendered	195.60
Against Security Deposits	12.17
Against Subordinate Debt	3,630.00

26. CSR Expenditure

For the year ended March 31, 2015, the Group has incurred expenditure of Rs.134.89 lakhs towards CSR activities as against Rs.569.33 lakhs required to be spent under Section 135 of the Companies Act, 2013, resulting in a shortfall of Rs.434.44 lakhs. The shortfall was on account of delay in identifying eligible projects being the first year of implementation of the provision. The shortfall for the year is expected to be utilized in the subsequent years.

27. There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund established under Section 205 C of the Companies Act 1956.

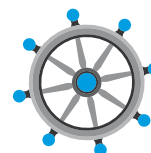
28. Earnings per share (EPS)

Basic and diluted earnings per share are computed in accordance with Accounting Standard-20 – Earnings per share. Basic earnings per share is calculated by dividing the net profit or loss after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share reflect the potential dilution that could occur if contracts to issue equity shares were exercised or converted during the year. Diluted earnings per equity share are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year, except where the results are anti-dilutive.



Particulars	At March 31, 2015
Profit for the year (before adjustment for Minority Interest) (Rs. in lakhs)	8,042.60
Add: Share of (Profit) transferred to Minority Interest (Rs. in lakhs)	(115.92)
Net Profit attributable to Equity Shareholders (Rs. in lakhs)	7,926.68
Weighted average number of shares outstanding	18,65,62,700
Basic Earnings per share	4.25
Diluted Earnings per share	4.25

29. Previous year's figures have been regrouped and reclassified wherever necessary to conform to the current year's classification. Figures have been rounded off in Lakhs.



## Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

### Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

#### Part "A": Subsidiaries

Name of the subsidiary	Muthoot Housing Finance Company Ltd	Muthoot MicroFin Limited	Muthoot Pappachan Technologies Limited
Reporting Currency	INR	INR	INR
Share Capital	38,65,50,000	5,50,00,000	500,000
Reserves & Surplus	11,58,59,135	(22,86,020)	(2,14,90,740)
Total Assets	4,46,35,35,671	5,28,78,201	12,56,31,222
Total Liabilities	4,46,35,35,671	5,28,78,201	12,56,31,222
Investments	-	-	-
Turnover	52,93,83,000	38,03,391	1,80,00,000
Profit Before Taxation	(1,93,46,427)	(22,93,718)	(1,26,78,660)
Provision for Taxation	608,647	708,759	(448,068)
Profit After Taxation	(1,87,37,780)	(15,84,959)	(1,31,26,728)
Proposed Dividend	-	-	-
% of Shareholding	66.62	94.55	60.00

- Names of subsidiaries which are yet to commence operations NIL
- Names of subsidiaries which have been liquidated or sold during the year. NIL

#### Part "B": Associates and Joint Ventures

### Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

S No.	Name of the Associates/ Joint venture	
1.	Latest Audited Balance Sheet Date	Nil
2.	Shares of Associate/Joint Ventures held by the company on the year end	Nil
3.	Description of how there is significant influence	Nil
4.	Reason why the associate/joint venture is not consolidated	Nil
5.	Net worth attributable to Shareholding as per latest audited Balance Sheet	Nil
6.	Profit / Loss for the year	
	i. Considered in Consolidation	Nil
	i. Not Considered in Consolidation	Nil

- Names of associates or joint ventures which are yet to commence operations. Nil
- Names of associates or joint ventures which have been liquidated or sold during the year. Nil

For on the behalf of Board of Directors of Muthoot Fincorp Limited

sd/-  
**Thomas George Muthoot**  
Director

sd/-  
**Mathai T.D.**  
Company Secretary

sd/-  
**Thomas John Muthoot**  
Chairman & Managing Director

sd/-  
**Thomas Muthoot**  
Executive Director and Chief Financial Officer



## CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Financial Year 2014-15 is marked in the history of Corporate Social Responsibility in India, being the first year of observing the Companies Act, 2013 which reformed several features in the principle and practice of the CSR domain. One such pertinent change has been the introduction of mandatory corporate social responsibility investment of 2% of average net profits of the previous three financial years. For the Corporates, a much structured approach is required to keep the policies and programme in compliance and at the same time engaging in meaningful CSR initiatives.

Muthoot Fincorp Ltd, with the support of Muthoot Pappachan Foundation (MPF), the philanthropy division of the Group had already initiated the processes for bringing in necessary systems in place towards this strategic shift even before the Act came in place. This proactive steps facilitated MFL for restructuring the entire CSR function aligning the activities in its HEEL structure (Health, Education, Environment and Livelihood themes). The first step was to revise the CSR policy for MFL bringing in a qualitative edge in its programmes.

The Corporate Social Responsibility Committee (CSR Committee) has formulated and recommended to the Board of MFL, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board.

### POLICY PERSPECTIVES OF MFL

#### Policy Applicability

- This policy, which reflects the company's philosophy and mission is designed to portray its commitment to be a responsible, corporate citizen and presents the strategies and methods for undertaking social programs for the well-being and sustainable development of the local community in which it operates.
- This policy applies to all CSR initiatives and activities taken up at the various work centers and locations of MFL for the benefit of various segments of the society, with the emphasis on the under privileged.
- Each CSR activity of MFL is channelized through Muthoot Pappachan Foundation.

#### Policy Objectives

Aligning with vision of the company, MFL will continue increasing value creation in the community in which it operates, through its services and CSR initiatives planned and implemented by MPF, so as to stimulate well-being for the community, in fulfillment of its role as a responsible, corporate citizen.

The specific objective of the MFL CSR is to:

- Build a framework of CSR activities with a philanthropic approach in line with business unit objectives, which also benefits the organization at large;
- Shape sustainability for the organization by 'Engaging the Community.'
- Build a corporate brand through CSR
- For other stakeholders make it "an integral part of the company's DNA, so much so that it has to be an organic part of the business".

#### Budget and Fund Allocation

In order to achieve its CSR objectives through implementation of programs by MPF, MFL earmarked 2% of the average Profit Before Tax (PBT) of the previous 3 years to create its Annual CSR Budget. Consequently, doing so MFL will also comply with the new law obliging mandatory CSR as described in section 135 of the Companies Act 2013.



### Planning

The CSR efforts of MFL are facilitated through MPF as a continuous and effective method. The CSR programs are bound by the theme- HEEL. The over-arching framework of HEEL, which will not only guarantee consistency among the selected entities but also full compliance with the CSR requirements mandated by Act. HEEL will allow MPF to remain focused on selected issues while adopting a systematic and professional approach to its work.

### Implementation

The Management wanted the CSR activities to be implemented appropriately engaging its stakeholders, where ever possible. Staff involvement in CSR is very much encouraged and this contributed good impacts in field. And last year we observed active involvement of staff from all hierarchies of MFL.

## NARRATIVE PROGRAMME REPORT

### Muthoot Life Blood Directory

Started in 2011-12, Muthoot Life Blood Directory (MLBD) has now a strength of 61,012 active registered Donors and functioning in 17 states where MFL branches are operating. The majority of the donor pool are from Tamilnadu and Kerala. During this FY, 674 patients were supported with blood donations through this platform, adding on to Country's voluntary blood pool.

MFL branches at various locations has conducted 18 blood donation camps partnering with authorised blood banks in their respective regions. These camps provided a chance for all the interested stakeholders to take part in the voluntary blood donation move, saving lives. MFL observed World Blood Donor Day on June 14th and National Voluntary Blood Donation Day on October 1st.

As per WHO, the focus of World Blood Donor Day campaign for the year 2014 was "Safe blood for saving mothers". Every day, about 800 women die from pregnancy or childbirth-related complications. Severe bleeding during delivery and after childbirth is a major cause of mortality, morbidity and long-term disability. The goal of the campaign was to increase awareness about why timely access to safe blood and blood products is essential for all countries as part of a comprehensive approach to prevent maternal deaths. MFL took up a countrywide awareness campaign running a poster orientation drive through all the Fincorp branches in India spreading this message.



MLBD – World Blood Donor Day Poster



## SMILE PLEASE - FREE CLEFT SURGERY MISSION

### 350 New Smiles in 2014-15

The flagship CSR programme of MFL 'Smile Please', free surgery mission for cleft patients commenced from this FY, partnering with Operation Smile India, a medical charity organisation who are experts in providing cleft care services.

#### The Cause

Cleft lip and cleft palate are facial and oral deformities that occur very early in pregnancy, while the foetus is developing inside the mother. Clefing is defined as a lack of fusion of the tissues of the lip and mouth. The cause of clefing is multifactorial and has genetic, nutritional and other components which leads to this disorder. Cleft is not just a cosmetic issue; but has got severe functional challenges and is sometimes life threatening.



#### Problems faced by cleft patients

- |              |                         |
|--------------|-------------------------|
| a) Breathing | e) Speech               |
| b) Eating    | f) Appearance           |
| c) Dental    | g) Psychological stress |
| d) Hearing   | h) Socially ostracized  |

Surgery is the solution for repair of the cleft lip and palate. In most parts of the country surgery is inaccessible and expensive. MPF engaged in to a partnership with Operation Smile the expert cleft care organisation in India to extend free surgeries to patients from deserving backgrounds.

#### The Partnership



Operation Smile is a not-for-profit organisation providing corrective surgeries to patients with cleft lip and palate deformities. It was established as a Registered Indian Trust in 2003 and has the Head Office at Mumbai. So far Operation Smile has conducted 25000+ surgeries in India and all of them were safe and successful. MPF joined hands with Operation Smile from July 2014 and started to provide free cleft surgeries and allied supportive service to children with congenital cleft issues. During Phase 1, the target was to provide free surgeries to 350 children from Tamil Nadu and Kerala, where the entire cost for the treatment is borne by MPF.

#### **Preparation Phase: We are not just Donors**

##### **A New Model for Corporate Engagement in Philanthropy**

From the initial stage of this programme, the Management of Muthoot Pappachan Group has taken a strong stand that our commitment is not just financial alone, but we will ensure our active involvement in the programme in field, responding to the cause.

In India, Cleft is seen as one case among 700 child births. Hence it is pertinent that the message should filter down to public in order to identify the patients. Also there is a need for extensive awareness to go into public on the cleft issue to fight the misconceptions. This message was disseminated to grassroots through the branches of MFL.

As a beginning, detailed training programmes were conducted all along Kerala and South Tamilnadu for the staff of MFL. In the first stretch, around 900 MFL branch Managers were given detailed orientation training and they were asked to filter it down to their team members. Leaflets were prepared in Malayalam and Tamil and supportive materials were sent to all branches in Kerala and South Tamilnadu. All branches were asked to coordinate with social pockets like Panchayats, Anganwadis, Schools, NGOs, Hospitals, Associations, Clubs, Kudumbasree etc. to identify cleft patients. Also the regional leaders of MFL met almost all the MLAs informing them about the Mission. Rigorous efforts were taken by our branches to identify and recruit patients for the first mission at Kottayam and Nagercoil. This shows the extend of relationship of Fincorp branches with the society and their active linkages with public and social institutions in their locations.



This indeed is a model for Corporate engagement in CSR where various verticals of a corporate conglomerate actively respond to a health cause like cleft, by involving their staff in mass awareness and also identifying patients to provide expert services in cleft care. The efforts taken by our branch staff are admirable as they also act as the single point of contact for these patients in providing them information on the cleft issue, our free cleft care services, ensuring hospital connectivity for medical check-up and surgery, post-operative follow ups etc.



**Smile Please Programme Launch****Malayalam Cine Actor Dileep turns our Smile Please Ambassador**

Malayalam Cine Artist Mr. Dileep launching the Smile Please initiative of Muthoot Pappachan Foundation.  
(From Left Dr. Prasanthkumar Nellickal, Mr. Thomas Muthoot, Mr. Thomas George Muthoot and Mr. Dalip Pande)

Muthoot Pappachan Foundation in association with Operation Smile India announced the launch of 'Smile please' on 18th Oct at Cochin, a pan India campaign which will help to create public awareness and extend free cleft surgeries amongst children in the country.

The campaign was inaugurated by popular Malayalam Film actor Mr. Dileep in the presence of Mr. Thomas George Muthoot, Director, Muthoot Pappachan Group, Mr. Thomas Muthoot, Executive Director, Muthoot Pappachan Group and Mr. Dalip Pande, Director Partnerships, Operation Smile India.

Mr. Dileep has extended all his support and cooperation for this program. He said, "I am touched by the initiative of Muthoot Pappachan Group. I can realise the trauma and embarrassment a person with cleft-lip undergoes in the society". Dileep had recently acted in a movie called 'Sound Thoma' in which he played the role of a man with a cleft-lip, the film very well managed to portray the humiliation a cleft-lip person undergoes in a society and the way he overcomes all these problems. He got the inspiration from this to be part of this initiative lead by Muthoot Pappachan Foundation.

The surgery target for 2014-15 was 350 and the programme was initially proposed to implement in Kerala and Tamilnadu. In Kerala, surgeries were planned at Muthoot Life Brigade Hospital and in Tamilnadu a centre of Operation Smile at Nagercoil.

**Smile Please – 52 New Smiles from First Mission at Kottayam**

The first Mission of "Smile Please" was conducted at Life Brigade Hospital, Kottayam during 11th to 18th October 2014 targeting 50 surgeries. Once the Mission was over, 52 patients were given free cleft surgeries. A 40 member medical expert team all across from 7 states volunteered for the Mission. The team included Plastic Surgeons, Maxillofacial Surgeons, Anaesthesiologists, Dentists, Paediatricians and other trained medical personnel.





Patients received surgery in the first Smile Please Mission

At the pre-screening conducted at Muthoot Life Brigade Hospital on 11th Oct around 150 patients turned up for medical check-ups and evaluations. From these patients, 52 have been referred for surgeries at the first mission.

All these 52 patients undergone surgeries successfully and all of them turned up for the post-operative follow up check-up on 21st Oct. This mission is marked as the first one in the Operation Smile Missions in India for 2 reasons. Firstly, there were no complications reported for any of the patients in the entire process and secondly there was 100% attendance for post-operative check-up.

## WE ARE THERE TO CHANGE LIVES

### Mr. Thomas Muthoot

Executive Director, Muthoot Pappachan Group



We are overwhelmed by the response received during our first leg of the program conducted in Kottayam. It's unfortunate that individuals born with cleft lip and/or palate are often stigmatized and face much psychosocial adversity. Social attitudes and beliefs have a direct impact upon the psychological development of these individuals. Providing cleft surgeries to children and youngsters helps change their lives. With a perfect smile on their face and overcoming their functional challenges through corrective surgeries, they set forth for a new life with enhanced confidence.

Muthoot Pappachan Foundation is proud for being a part of this noble cause, offering free surgeries to children, which will help them all, live a life free of any stigma. Also we welcome other corporates as well to walk with us in helping more kids smile and live their new life.

Another 17 patients screened at Life Brigade which required complex surgical processes and prolonged post-operative care were referred to the Operation Smile Centre at Nagercoil to receive surgeries in this scheme.



### Second Mission at Nagercoil - 38 New Smiles

Second Mission of Smile Please at Nagercoil was scheduled from 13th to 19th Jan 2015 and we received 80+ patient registrations through Fincorp branches. Most of the patients were primary cleft cases who came for their first surgeries. Though there were challenges like Ponkal holidays in Tamil Nadu, connectivity to Nagercoil through both rail and road due to Makara Samkranthi and Sabarimala pilgrimage etc. the Mission concluded successfully with 38 new smiles.



### Continued Centre Activities - 260 New Smiles

Fincorp branches in South Tamilnadu and Kerala were asked to continue patient recruitment to provide surgeries at Nagercoil Centre. During the FY 260 surgeries were provided at the Nagercoil Centre through the continued programme. Altogether 350 patients received free surgeries during 2014-15 and many of them also received their second stage surgeries through this programme.

#### Case Study:



#### MANUEL MATHEW (6 months)

Manuel is the third son of Mr. Mathew Thomas and Mrs. Ruby Mathew. They are from a rural agriculture family residing at Valiyathovala, near Kattappana in Iducky district.

When they saw the baby for the first time the whole family felt so sad and depressed. But the mother who believed that if god has created him so there will be a plan for him. She was sad mostly due the fact that she couldn't feed him on her milk. Till now the child has eaten only alternate supplements. But her elder children were so happy to get him. The eldest daughter calls him "Lucky" and second son calls him "Unni".

They got the information of Smile Please Mission at Life Brigade through nearby MFL Branch (Ezhukumvayal, Iducky). Manuel was

having a congenital lip cleft issue marked as L Unilateral Incomplete at the screening for Kottayam Mission. He also has got an issue on his palate as well. Manuel successfully undergone the first surgery for lip correction on 15th Oct at Life Brigade and relieved from the Hospital on the very next day.

Whole family turned up on 22nd Oct for the post OP Check-up at Life Brigde and also for acknowledging the services they received. They all are happy now seeing his innocent and perfect smile. The whole family are thankful to God for Manuel's safe and successful surgery. His mother wants him to be a priest when he grows up, if he also agrees to it.

3 months later in January 2015, Manuel received his second surgery for palate issue at Nagercoil Mission which was also successful and he is perfect now. Going forward, Manuel has to do some speech therapy exercises to get perfect delivery of words and the first lessons are already given by the Speech Therapist at the Mission. MPF will continue to support him to get this done and grow smart.

Cheer up Manuel !!!



## Healthy Business Management

### A New Experience for the Management Trainees

Each batch of Management Trainees recruited to MFL has to undergo a one week's CSR volunteership. All the Management Trainees from the reporting year who were engaged with various departments of Muthoot Fincorp Ltd. were assigned to volunteer for Kottayam and Nagercoil Missions.

All of them were provided with orientation training on the delegated responsibilities as Non-Medical Volunteers. Their responsibilities include preparing Patient case records, updating Electronic Medical records, handling children at Child Life, PIT photography (patient imaging during surgical process), patient assistance, Mission on site coordination, coordinating with Medical team for supports etc. Especially because the Medical team were from different states, there required translators at all points to interact with patients. The volunteers quickly picked up the assigned roles and were a good support for the missions.

For all the Management Trainees it was their first experience to work inside a medical setting and some of them even got a chance to assist for PIT photography inside the Operation Theatre. Let this experience help them for new learnings, strengthening their business management roles.

### Muthoot Life Brigade Hospital

The Centre for the first 'Smile Please' mission of MPF was Muthoot Life brigade Hospital, Vadavathoor, Kottayam, an Orthopedic specialty centre. It was after a thorough verification process by the experts of Operation Smile India on the medical and supportive infrastructure facilities at Life Brigade, the Hospital was chosen as the host Centre for the mission. After the inspection, the experts opined that Life Brigade Hospital is all set even to host their International Missions with regard to the facilities, medical equipments, and supportive infrastructures.



All the staff of Life Brigade both medical and non-medical team actively involved in the mission. Their support in all service areas was one of the strong success factor of the mission. With this experience of the successful first mission, now Life Brigade is all set to host more such missions. Life Brigade is steadily achieving the status of a Comprehensive Cleft Care Centre.

### Other Major CSR Initiatives

#### Aashiana Centre for Physical and Medical Rehabilitation

Paraplegia (Spinal injuries) is one other cause considered in the CSR interventions. In Kerala, there are limited facilities available for rehabilitating 'people in wheel chairs' making their lives productive like any other normal human being. This requires a professional approach and dedicated effort which is envisaged through Aashiana



Centre for Physical and Medical Rehabilitation (PMR) at Mulanthuruthy near Cochin. The centre is in final stages of its establishment phase. The construction of the Centre is about to finish and the customised facilities are getting ready. The PMR centre is expected to start functioning from next FY.

### **Treatment Support Scheme**

MFL has constituted a Treatment Support Scheme to financially help patients with the objective of supporting its stakeholders and communities in India who are in critical ailment conditions, wherein, due to their poor socio-economic conditions they could not access required treatments. The requests are received at MFL branches and branches are asked to complete a verification process to recommend the deserving cases. During this reporting period, 73 patients from disadvantaged sections of the society were supported through this scheme. Financial aid were given to patients suffering from cardiac issues, renal issues, cancer and also patients with other chronic diseases.

### **Medical Camps**

Apart from the financial aid, periodic Medical Camps were conducted through Muthoot Fincorp branches at various locations partnering with local hospitals. The camps were benefited for a population above 20000.

### **Free Surgeries for Knee/ Hip replacement**

Muthoot Life Brigade also plays a significant role in the CSR efforts of MPF in healthcare segment extending free treatment to patients from disadvantaged settings. Being an Orthopedic Specialty Hospital, several deserving patients are getting free treatment here in knee/ hip replacements supported through CSR. The cost of these surgery is normally unaffordable for financially weak people in which MPF is supporting them to get it done free of cost at the Life Brigade Hospital under the supervision of expert Surgeons.

Life Brigade and MPF also partners with other health initiatives sharing its resources and facilities extending supports to needy patients. Recently Life Brigade participated in the Soukhyam Medical Camp at Cochin under the auspices of Hibi Eden MLA in which the experts from Life Brigade provided free consultation to more than 45 patients reported with ortho issues. From among these cases, three patients (one hip replacement, one bilateral total knee replacement and one case of Tendo Calcaneus Lengthening) were given surgeries at Life Brigade totally free of cost considering in MPF's Treatment support scheme.

Life Brigade Hospital is conducting Medical Check-up camps at various locations associating with the Muthoot Fincorp Branches. Hundreds of patients are consulted in each camps providing them medical guidance especially on ortho related issues. Patient referral requests from the MFL branches and these medical camps are reviewed in the Treatment Support Committee of MPF to provide free services for really deserving cases.

### **Education Supports**

Education support to 457 students in two adopted villages (Konni in Pathanamthitta District and Panathura in Trivandrum District) were extended through Rajagiri Outreach Society. The programme included schooling materials distribution, counselling & mentoring, community education, parent orientation etc. The students of 10th standard were given an opportunity for a summer camp for exam preparation and picking up life skills.

### **Livelihood**

MPF is supporting Ernakulam Cricket Club, a charitable organisation, towards providing training related to Cricket and related events. Special attention is given to include aspiring players from challenging backgrounds to get trained professionally in cricket to excel in this track and make it their career.

Apart from this, need based supports were extended for education of students, construction of houses, training support for sports champions from poor financial background etc.





**muthoot**

**MUTHOOT FINCORP LIMITED**

CIN: U65929KL1997PLC011518

Registered Office: Muthoot Centre, Punnen Road, Trivandrum – 695 039

Tel : +91 471- 2331427 Fax: +91 471 2331560 ,Email : cs@muthoot.com website www.muthoot.com

## ATTENDANCE SLIP

EIGHTEENTH ANNUAL GENERAL MEETING ON 4<sup>th</sup> AUGUST, 2015

Regd. DP ID/Client ID No : .....

No: of Shares held : .....

I certify that I am the registered Shareholder / Proxy for the Registered Shareholder of the Company.

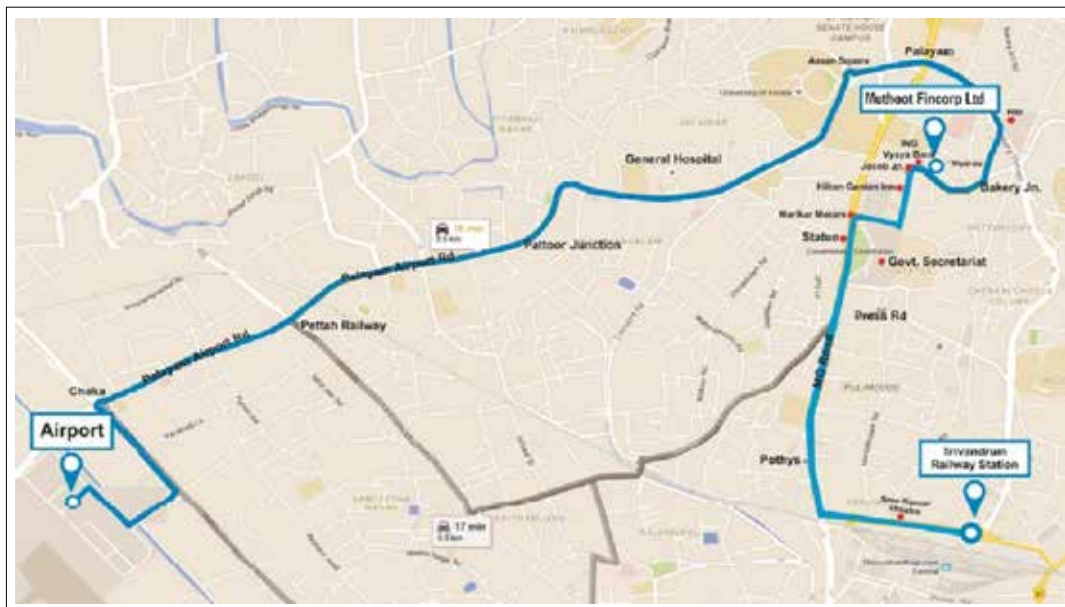
I hereby record my presence at the 18<sup>th</sup> Annual General Meeting of the Company at the Registered Office of the Company at Muthoot Centre, Punnen Road, Trivandrum – 695 039, at 11.00 AM on Tuesday, the 4<sup>th</sup> day of August, 2015.

.....  
Name of the Member / Proxy  
(in Block Letters)

.....  
Signature of the Member / Proxy

*Note: Please fill up this attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copies at the copies of the Annual Report to the AGM.*

## ROUTE MAP TO THE VENUE





**MUTHOOT FINCORP LIMITED**

CIN: U65929KL1997PLC011518

Registered Office: Muthoot Centre, Punnen Road, Trivandrum – 695 039

Tel : +91 471- 2331427 Fax: +91 471 2331560 ,Email : cs@muthoot.com website www.muthoot.com

**Form No. MGT-11****PROXY FORM**

[Pursuant to the provisions of Section 105(6) of the Companies Act, 2013 and Rule 19  
(3) of the Companies (Management and Administration) Rules, 2014]

Venue of the meeting : Muthoot Fincorp Ltd, Muthoot Centre, Punnen Road, Trivandrum – 695 039  
Date & Time : 4<sup>th</sup> August 2015 at 11.00 am

Name of the Member(s)	:	
Registered Address	:	
E-mail ID	:	
Folio No./ Client ID	:	
DP ID	:	

I/We, being the Member(s) of ..... equity shares of ₹10 each of Muthoot Fincorp Limited, hereby appoint:

1. Name	:	2. Name	:	3. Name	:
E-mail Id	:	E-mail Id	:	E-mail Id	:
Address	:	Address	:	Address	:
Signature	:	Signature	:	Signature	:
or failing him/her		or failing him/her		or failing him/her	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Eighteenth Annual General Meeting of the Company will be held at 11.00 AM on Tuesday the 4<sup>th</sup> Day of August 2015 at the Registered Office of the Company at Muthoot Centre, Punnen Road, Trivandrum-695039 and at any adjournment(s) thereof, in respect of the resolutions, as indicated below:

Sl.No.	Particulars
	<b>ORDINARY BUSINESS:</b>
1.	To receive, consider and adopt the Audited Balance Sheet as at 31 <sup>st</sup> March 2015 and the Statement of Profit and Loss for the year ended on that date together with the Reports of the Directors and Auditors thereon.
2.	To appoint a Director in place of Mr. Thomas Muthoot, (DIN: 00082099) Executive Director of the Company retiring by rotation and being eligible, offers himself for re-appointment.
3.	To ratify the appointment of Auditors to hold office from the conclusion of the Eighteenth Annual General Meeting to the conclusion of the Nineteenth Annual General Meeting.

Signature of Shareholder..... Signature of Proxy holder(s).....

Signed this ..... day of ..... 2015

Note:

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
- A Proxy need not be a Member of the Company

Affix  
Revenue  
Stamp of ₹ 1







MUTHOOT FINCORP LIMITED

CIN: U65929KL1997PLC011518

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