



**A FUTURE WITH GOLD,
AND BEYOND GOLD**

2015—2016
24TH ANNUAL REPORT



A FUTURE WITH GOLD, AND BEYOND GOLD

Forward-looking statements

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

Having reached the pinnacles of the gold loans business, it was time for us to re-invent ourself as a multi faceted top-notch NBFC. Over the last two years, we took a bold decision to recompose our business that would de-risk our concentration from our gold loan book and give us new growth drivers to build upon. We decided to diversify our business and add new asset classes that were complementary to our mainstay gold loans business. Today, Manappuram Finance is re-constituted to engage in four key business segments – Gold Loans, Microfinance, Housing Loans and Commercial Vehicle (CV) Loans.

Having established our presence in these new areas in FY2015, we spent FY2016 focusing on developing our business ecosystems, building teams with domain specific experience and setting up the right marketing channels and product configurations. Today, we are systems-ready to grow each of our businesses aggressively, without compromising on asset quality. In the field of Microfinance, we have already made a robust entry through our subsidiary Asirvad Microfinance, which has grown extremely well in FY2016, with assets under management more than trebling.

Our confidence comes from the depth of our geographical reach, a top-notch product portfolio, best-in-class technology, rapidly expanding distribution network, motivated workforce and a highly capable management team. We look forward to leverage our brand equity and in-depth understanding of semi-urban and rural markets, to build further on our proven successes.



Mr. V. C. Padmanabhan
(1916-1986)

WITHOUT THE FOUNDATIONS OF STRONG VALUES, AN ORGANISATION CANNOT BECOME SUCCESSFUL.

Manappuram is the most apt example of how great companies find their beginnings with the simplest idea of helping people. When the Late Mr. V. C. Padmanabhan took his first steps in 1949 to provide financial solutions to solve the trials and tribulations of farmers and fishermen, he set in motion an intrinsic value system that became the bedrock of a great company in the making. This value system spoke of bringing convenience to the lives of the ordinary people of India, to “make life easy” for them. It also espoused Trust, Commitment and Transparency, in the way business was to be conducted. These values held true then, and continue to hold true now.

Progressively, lending against gold jewellery became a natural extension to the Company, as often, that would be the one key piece of locked wealth that people often possessed. With the dynamic stewardship of the business by the next generation promoter, Mr. V.P. Nandakumar, lending against gold jewellery has today become the hallmark business of the company. Fast forward to today, more than six decade later, Manappuram is India’s first listed and first credit rated gold loan company which has unlocked the value of this vast and idle asset base for thousands of low income group of people across India.

Today, the Company is in a midst of another transformational change, that of becoming top-notch multi-product NBFC. It is de-risking itself from being a single product NBFC, to becoming one with a diversified portfolio in Microfinance, Home Loans and Commercial Vehicle Loans. True to its original value system of helping people, each of these businesses are in sync with the lower segments of the income pyramid and aligned with the Government of India’s big push towards financial inclusion for the underbanked population.

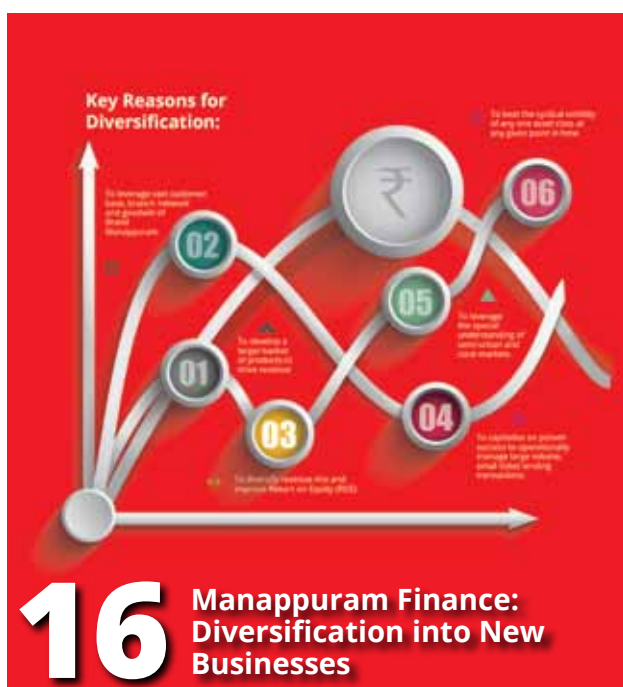
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MD & CEO's Letter to Shareholders

With the stable regulatory regime, and with gold prices holding firm, gold loan NBFCs are poised for healthy growth.



V.P. Nandakumar
MD & CEO

It is my pleasure to present to you our 24th Annual Report for the year ended March 31, 2016. I am happy to report that your company has recorded significant and all-round improvement in performance. As with our performance last year, there is good growth in gold volumes and profitability this year too. Our diversification strategy is beginning to deliver results, helping us report substantially better numbers. Importantly, with the economy likely to pick up based on expectations of good rainfall, we are now well placed for growth in the coming years too.

ECONOMIC OUTLOOK

Indian economy is on the path of steady recovery. After two years of drought-like situation agriculture output had suffered leading to depressed farm incomes and higher food inflation. However, this year the Met Department has predicted above normal monsoon across India. Good monsoon is likely to bring relief to India's agriculturists and boost rural income levels with positive impact on rural demand and consumption. Moreover, food inflation will be contained thereby curtailing the wider inflationary expectation.

The Reserve bank of India (RBI) has, accordingly, maintained its accommodative stance on monetary policy although further rate cuts have been held back against the backdrop

Going forward, Aadhar and Jan Dhan will hasten the shift of business in rural areas from the unorganised to the organised sector. Banks and NBFCs stand to benefit.

of resurgence in crude oil and other commodity prices and pending clarity on how the monsoon pans out. The RBI will shortly review the implementation of the Marginal Cost Lending Rate frameworks by banks to reduce the cost of borrowing and have the benefits of lowered policy rate passed on to customers. Further, at the policy making level, considerable progress has made over the last couple of years. The new Bankruptcy law, real estate and Aadhaar bills becoming law, further liberalisation in FDI norms and of the financial system, are some of the areas to make headway. The introduction of 'on-tap' licence for opening new banks is particularly welcome for the large NBFCs.

According to the data released recently by the Central Statistics Office (CSO), India's economy is gaining momentum, growing by 7.9 per cent in the March 2016 quarter to consolidate India's position as the fastest growing major economy with a five-year high growth rate of 7.6 per cent for the full fiscal year. With good monsoon and expected increase in corporate profitability due to lower input cost and increased domestic demand and with pick up in private and public investments, the economy's growth prospects are bright.

OUTLOOK FOR NON-BANKING FINANCIAL COMPANIES (NBFCs)

Non-banking financial companies (NBFCs) have been a success story in India. In terms of financial assets, NBFCs have recorded healthy growth—CAGR of 19 per cent over the past few years—and now account for 13 per cent of the total credit, which is further expected to reach nearly 18 per cent by 2018–19.

Over the years, the NBFC sector has evolved considerably in terms of its size, scale of operations, technological sophistication and also entered into the new areas of financial services and products. Although total number of NBFCs has come down from 51,929 in 1997 to 11,700 as of March 2016, aggregate assets of systemically important non-deposit taking NBFCs and deposit taking NBFCs have grown from Rs.70,000 crore at the end of March 1998 to Rs.15,00,000 crore at the end of December 2015. The share of NBFC assets as a percentage of scheduled commercial banks' assets has increased from 7 per cent in 1998 to 14.8 per cent in March 2015. India's financial inclusion drive continues to gather momentum. It is reported that more than 21 crore Jan Dhan accounts have been opened and deposits have crossed Rs 36,000 crore. More than a 100 crore Aadhar cards have been issued representing almost 80 percent coverage. Going

forward, Aadhar and Jan Dhan will hasten the shift of business in rural areas from the unorganised to the organised sector. Banks and NBFCs stand to benefit.

OUTLOOK FOR GOLD AND GOLD LOANS

From a peak of around \$1900 per troy ounce in September 2011, gold prices had come down to \$ 1,084 per troy ounce by November 2015. Further, the uncertain regulatory environment that prevailed between 2012 – 2014 had a negative impact on the specialised gold loan NBFCs who lost ground to banks and the unorganised market. The market share of specialised gold loan NBFCs came down to 31 per cent in FY13 from a high of 36.5 per cent in FY12, which declined further to 27.6 per cent in FY14.

In hindsight, these setbacks were perhaps a blessing in disguise as it compelled NBFCs to reconsider their strategies and rework business plans. Across the industry, the loan to value (LTV) ratio was brought down to the RBI stipulated norm of 75 percent, thereby de-risking the business. Further, there was focus on regular, monthly collection of interest so as to preserve lending margins against the backdrop of volatile gold prices. Others went beyond. Your company, for instance, introduced short tenure gold loans and also pursued aggressive diversification into areas like promising new areas

In percentage terms, new businesses now contribute ~12 percent of our total AUM. Importantly, based on these trends, we are well on track to having new businesses contribute 25 percent of total AUM by FY2018.

like home and commercial vehicle loans, SME lending and microfinance as part of risk mitigation. Gold Loan NBFCs have now regained some of the lost ground as they clawed back to a market share of 29.4 per cent in FY15. Today, with the stable regulatory regime, and with gold prices holding firm, gold loan NBFCs are poised for healthy growth.

Speaking of gold prices, in recent months, the declining trend appears to have reversed and, in the first four months of calendar 2016, gold price has posted 20 percent gains. International gold prices now trade in the range between \$1200 and \$1300 per troy ounce. The recovery is attributed to weakness in the global economy given the slowdown in China and the difficulty faced by the US Federal Reserve in pushing through interest rate hikes. We expect gold price to be relatively stable in the current year, trading between levels of \$ 1200 to \$ 1400 per troy ounce.

PERFORMANCE OF NEW BUSINESSES

In February 2015, we acquired Asirvad Microfinance Pvt. Ltd. with AUM a little short of Rs.300 crore. Today, just a year after it became our subsidiary, the company's AUM has tripled to Rs.1,000 crore. I believe our acquisition of Asirvad is worthy of analysis by India's premier management institutions as a case study.

Prior to our takeover, this was a microfinance company struggling against odds to grow. It had a quality

management sincerely committed to the cause of microfinance but it was also burdened by high interest costs. After the takeover, Asirvad was able to leverage our creditworthiness. It got expanded access to bank finance at significantly lower cost than before, giving it comfortable cushion to meet competition head on, and to expand to new geographies like Madhya Pradesh, Chhatisgarh, Punjab, Haryana, Chandigarh, Jharkhand, Bihar, West Bengal and UP. Today, India's microfinance industry is doing well, and we expect Asirvad to maintain growth at a rapid pace in the coming years as well.

Our other new businesses — Commercial vehicle loans, housing finance and SME loans — have also reported accelerated growth. Importantly, they are all fully seeded and have attained a measure of stability. Commercial vehicle loans and mortgage based finance (housing loans and loans against property) have contributed about Rs. 300 crore to the total business as compared to about Rs. 45 crore in the preceding fiscal year. In percentage terms, new businesses now contribute 12 percent of our total AUM. Importantly, based on these trends, we are well on track to having new businesses contribute 25 percent of total AUM by FY2018.

A MILESTONE - 20 YEARS OF LISTING ON THE BSE

Last year was an important milestone for us because we completed 20 years of listing on the BSE. We celebrated the occasion with a function at the BSE on



Celebrating a Milestone - 20 years of listing on the BSE marked by ringing the closing bell, BSE, Mumbai, Nov 6, 2015

November 6, 2015 where I and my wife, Sushama (we had jointly promoted Manappuram Finance in 1992), rang the symbolic closing bell in the presence of Mr. Ashishkumar Chauhan, MD & CEO of BSE.

At the function, it was noted that Manappuram has been a leading wealth creator for investors. Over the course of 20 years, the company has delivered annualized return of 24.6% to investors of its 1995 IPO as compared to 11% delivered by the Sensex. In other words, shareholder wealth since listing in 1995 has gone up 92 times (not counting the uninterrupted dividends). Further, CAGR growth in AUM over the 20 years works out to a staggering 68% while PAT grew at a CAGR of 49%.

ONLINE GOLD LOAN (OGL)

Having invested in an extensive network of 3,300 branches across India for delivering gold loans, your company is now preparing itself for a future where brick and mortar branches will increasingly play a supplementary part in a digital world, in line with trends in the evolution of the BFSI sector. In September 2015, your company became the first player to launch its Online Gold Loan (OGL) where customers with access to an internet enabled device can avail a gold loan anytime, from anywhere in the world. The loan proceeds are instantaneously transferred to his bank account. Later, when the loan is repaid, the gold will continue to remain with the Manappuram branch for instant sanction of future loans whenever the need arises. The concept is now

proposed to be extended further with launch of a co-branded debit card that would enable customers without access to bank accounts to withdraw the money from an ATM anywhere. Incidentally, our tagline is "make life easy."

PERFORMANCE OF THE COMPANY

Manappuram Finance has reported outstanding results for the fiscal year 2015-16. Consolidated net profit increased by 30.2 percent to Rs.353.36 crore in March 31, 2016, as compared to Rs 271.31 crore in FY 2014-15. Total Income from Operations also reported a growth of 18.8 per cent to Rs 2,360.23 crore, as compared to Rs.1,986.42 crore during same period last year. The number of live gold loan customers surged to 19.32 lacs at the close of FY 2015-16, against 17.47 lacs the year before. Total gold holdings increased to 59.61 tonnes during FY2015-16 as compared to 53.13 tonnes a year ago. It is a fact worth noting that the quantum of gold we hold as security has increased consistently over each quarter, for the last two years, and this indicates the depth of recovery in the market.

CORPORATE SOCIAL RESPONSIBILITY

At Manappuram, we have been active in the CSR sphere well before such spending became mandatory. In 2009, we set up the Manappuram Foundation as the implementing agency for managing grassroots programmes primarily focused on healthcare and education. A detailed

account of the various initiatives of the Foundation has been given elsewhere in this report. However, I would like to make a special mention of the Foundation's initiatives in education, where a lot of ground has been covered in the area of skill development of the student community. The Manappuram Academy of Professional Education (MAPE), the Manappuram Academy of Entrance Coaching (MAEC) and the Manappuram Academy of Computer Education (MACE), set up under the aegis of the Foundation, are worthy initiatives catering to students from poor backgrounds belonging to the coastal belt of Thrissur district.

THANK YOU

I am grateful to all our shareholders and all other stakeholders for their support to the company through its days of challenge and setbacks. We are thankful to the Reserve Bank of India for maintaining stability in a potentially volatile environment. I now seek your continued support so that we can sustain the performance and realise our vision of becoming a dynamic, diversified NBFC setting the pace for growth in the financial services sector. I believe together we can go farther and achieve more.

With best wishes,

V.P. Nandakumar
MD & CEO

Business Snapshot

Incorporated in 1992, Manappuram Finance Limited has been one of India's leading gold loans NBFCs. The Company is Promoted by Mr. V.P. Nandakumar (the current MD & CEO) whose family has been involved in gold loans since 1949.



Gold Loans

MFL's flagship business makes it India's first listed and highest credit rated gold loan company in India. It focuses on giving loans to people against their deposit of gold based jewelry and coins. It has unlocked the value of this vast asset base for thousands of people across India.

₹ 100,806 mn
AUM as on
31st March 2016

01



Microfinance

Asirvad Microfinance Limited, a subsidiary of MFL, focuses on organized groups of committed women and providing them innovative financial services in a sustainable manner with a view to alleviate poverty through viable income generation activities.

₹ 9,988 mn
AUM as on
31st March 2016



Housing Finance

Manappuram Home Finance Pvt. Ltd. (MAHOFIN), is your Company's dedicated subsidiary to cater to the affordable housing space, mainly in tier-2, tier-3 and outskirts of metropolitan cities with focus on the self-employed segment

₹ 1,286 mn
AUM as on
31st March 2016

04



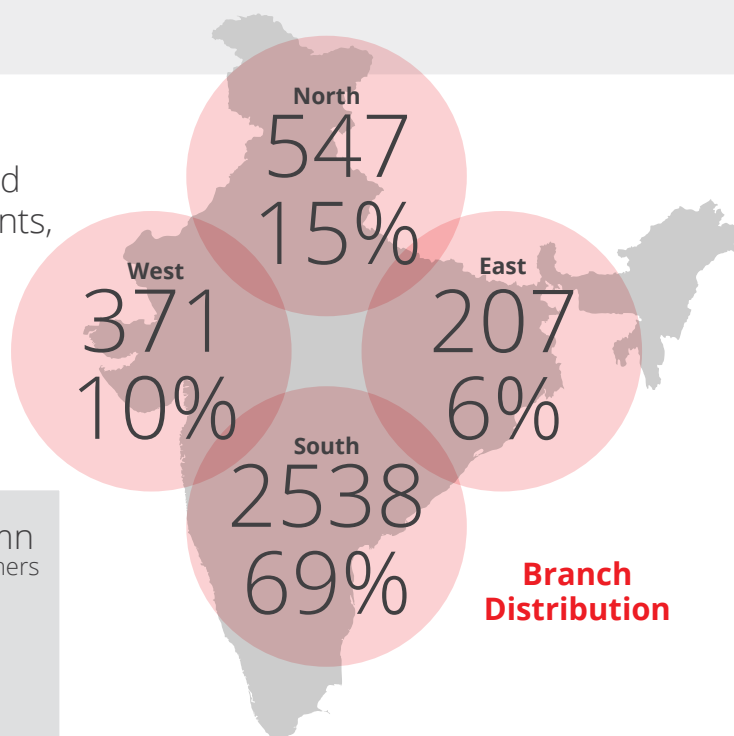
CV Finance

Dedicated strategic business unit focussing on financing commercial vehicles to the underserved category of customers largely from the unorganised sector and lacking access to the formal banking system.

₹ 1,298 mn
AUM as on
31st March 2016

03

Our Capital Adequacy Ratio in FY16 stood at 24.0 %, far ahead of statutory Capital requirements, giving us ample capacity to grow our loan book size in the foreseeable future.



₹ 4.2 Earning Per Share as on 31st March 2016	~1.93mn gold loan customers as on 31st March 2016		
1.01% Non Performing Assets as on 31st March 2016	3,663 branches as on 31st March 2016	6,18,419 No. of microfinance customers as on 31st March, 2016	268 students educated by Manappuram Academies during FY2016
₹ 27,580mn Net Worth as on 31st March 2016	59.6 tonnes gold assets as on 31st March 2016	₹ 114,330mn total assets under management as on 31st March 2016	16747 people insured for free under the Janaraksha Manappuram Sowjanya Arogya Insurance Scheme during FY2016
₹ 35,000mn market capitalisation as on 31st March 2016	19.2% consolidated loan book growth recorded in FY2016*	₹ 9,988mn AUM as on 31st March 2016 (only under Microfinance)	872 people in need received counselling at our counselling centres in Thrissur during FY2016
₹ 3,534mn Net Profit as on 31st March 2016	A1+ Short-term debt raising programme rating by Crisil as on 31st March 2016	48 nos. senior citizens were assisted under the Pakal Veedu projects during FY2016	39,298 students provided with Student Safety Insurance across 150 schools

* Consolidated

Message

About us

Features

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Governance Report

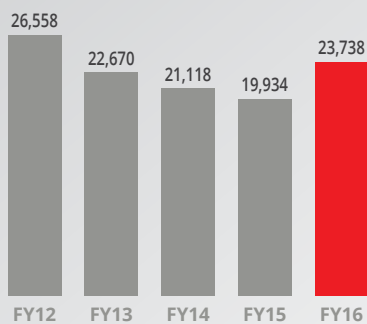
Financials

Key Financial Indicators

Manappuram's Gross NPA's stood at 1.0% and its Net NPA's was a low 0.7% in FY16. The Total Income from Operations, Net Interest Income and PAT in FY16 were ₹ 23,602 mn, ₹ 14,128 mn & ₹ 3,534 mn respectively. The Company produced an ROA of 3.0% in FY16, with an ROE of 12.8% for the same period.

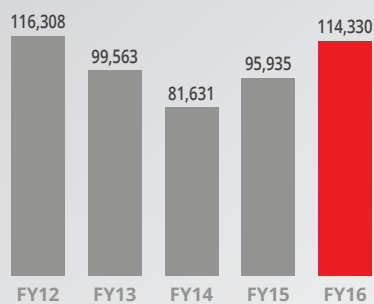
Total Income

(₹ Mn)



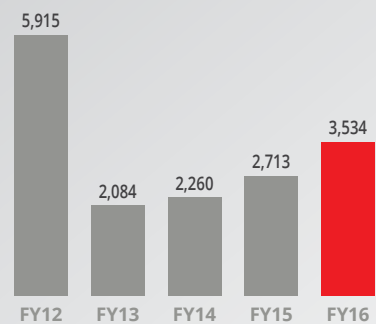
Assets Under Management

(₹ Mn)



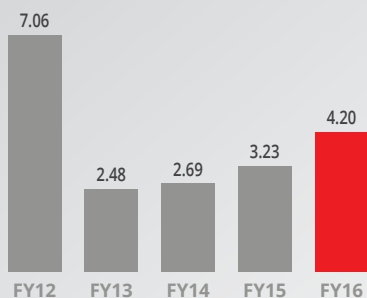
Net Profit

(₹ Mn)



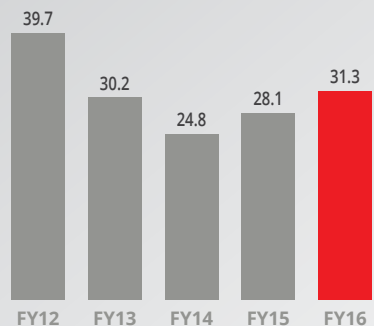
Basic Earnings Per Share

(₹)

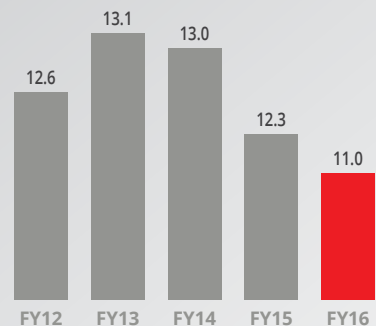


AUM per Branch

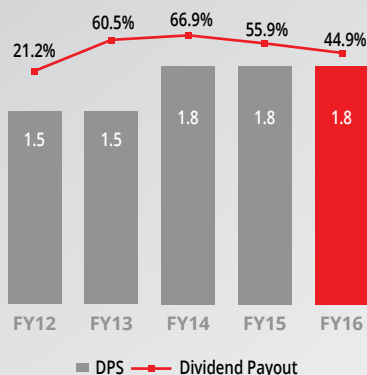
(₹ Mn)



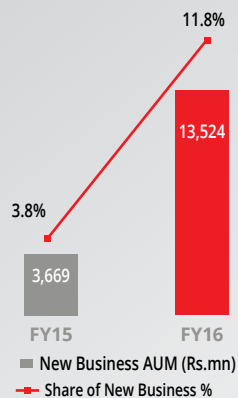
Cost of Borrowing (%)



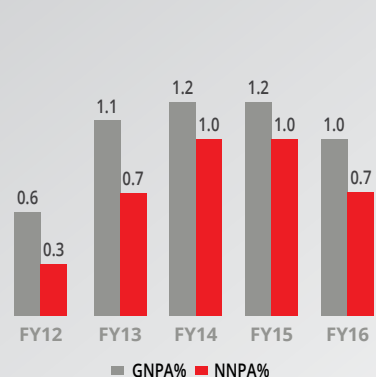
DPS & Dividend Payout (% of Profit After Tax)



Share of New Business

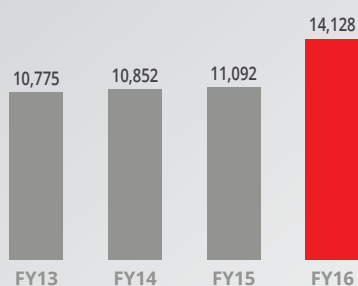


Asset Quality (%)



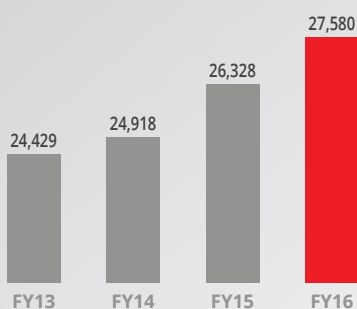
Net Interest Income

(₹ Mn)



Net Worth

(₹ Mn)



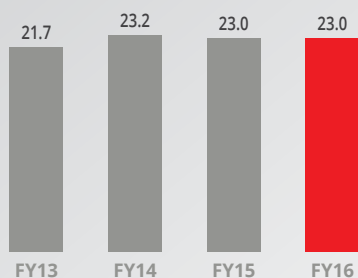
Net NPA
0.7%

Return on Assets (ROA)
3.0%

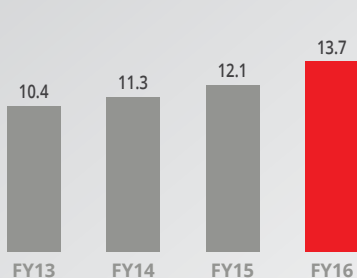
Return on Equity (ROE)
12.8%

Capital Adequacy Ratio
24%
Standalone

Net Yield (%)

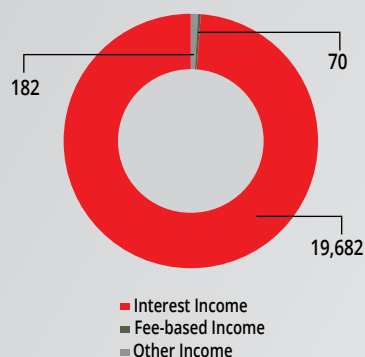


Net Interest Margin (%)



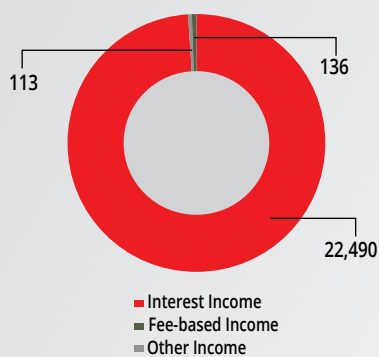
Income Spread

FY15



(₹ Mn)

FY16



*All numbers in this section are taken from the Consolidated financial statements as at March 31, 2016.

Board of Directors

Manappuram Finance Limited adheres to the objectives and guidelines set by the Board of Directors for its Corporate Governance Code, and its governance system is in line with the best principles and with national and international best practices, which aim to ensure effective and transparent distribution of the roles and responsibilities of its corporate Bodies and a proper balance of strategic supervision, management and control functions.



MR. JAGDISH CAPOOR

Independent and Non-Executive Chairman

Jagdish Capoor is a post graduate in Commerce from Agra University and has also done his fellowship from Indian Institute of Banking and Finance. He has more than 39 years of work experience in banking and finance. He has in the past worked as the Deputy Governor of the Reserve Bank of India, Chairman of HDFC Bank, Bombay Stock Exchange, Deposit Insurance and Credit Guarantee Corporation of India, Unit Trust of India and also as a Director on the boards of several commercial banks



MR. V.P. NANDAKUMAR

Managing Director & CEO.

Mr. V.P. Nandakumar is a post graduate in science with additional qualifications in Banking & Foreign Trade. Immediately after completion of his education, he joined the erstwhile Nedungadi Bank Limited. In 1986, he resigned from the Bank to take over the family business, upon the demise of his father, V.C. Padmanabhan. In 1992, he promoted Manappuram Finance Ltd. and has been a director of the company since then. Shri Nandakumar is a Managing Committee member of leading trade and industry associations such as ASSOCHAM and FICCI. He is also he Chairman of the Kerala state council of the Confederation of Indian Industry (CII).



MR. B.N. RAVEENDRABABU

Executive Director

Mr. B.N. Raveendra Babu, is a Post Graduate in Commerce with additional qualification in Management Accounting from the U.K. Prior to joining Manappuram Group, Mr. Raveendra Babu occupied senior positions in Finance and Accounts in various organizations in the Middle



MR. SHAILESH J MEHTA

Independent Director

Dr. Mehta is a Mechanical Engineer from IIT Mumbai. He is the President of Granite Hill Capital Ventures and the former Chairman and CEO of Provident Financial Corporation. He was the president and COO of Capital Holding and also served on the Board of many companies in the US. He holds PhD in Operations Research and Human Letters and also MS in Operations Research.



MR. E A KSHIRSAGAR

Nominee Director

Mr. E A Kshirsagar is a Fellow of the Institute of Chartered Accountants in England & Wales. He has wide experience in Corporate Strategy & Structure, Valuation, Feasibility Studies, Disinvestments, Mergers & Acquisitions. He was associated with the Management Consultancy division of A F Ferguson for over three decades and retired in 2004 as the Senior Partner. Mr. Kshirsagar serves on the Board of other leading Indian public companies.



MR. RAJIVEN V. R.

Independent Director

Mr. Rajiven.V.R is an IPS officer, retired in 2010 as Director General of Police & Commandant General, Fire & Rescue Services, Kerala. He was the CEO of M/s KGS Nelsun Kraft Paper Manufacturing Mill (Cochin Kagaz Ltd.) at Karukutty, Angamaly, a subsidiary of KGS Corporate Group Chennai.

We are proud to have track record for paying dividends consistently to our valued shareholders. In FY16, the Company paid dividend of ₹ 1,514 mn in FY16, dividend payout of 44.9% of PAT.



MR. P. MANOMOHANAM
Independent Director

Mr. Manomohanam is an eminent Central Banker with a professional qualification in Banking. He has got over 38 years of experience in Banking including Directorships in the South Indian Bank Ltd and the Federal Bank Ltd. He retired as the General Manager, Reserve Bank of India, Department of Banking Supervision, Trivandrum.



MR. V.R. RAMACHANDRAN
Independent Director

Mr. V.R. Ramachandran is an eminent lawyer of Thrissur Bar and is well versed with the provisions of Civil as well as Criminal laws. He has long standing relationship with the Company and has been handling civil/ criminal cases of the company.



MR. PRADEEP SAXENA
Nominee Director

Mr. Pradeep Saxena is a fellow of the Institute of Financial Services, London and Master's in Management Sciences, from University of Bombay. He has around 30 years of experience in international banking and 5 years in information technology. Earlier he was MD&CEO of South East Asia Region of ING Barings and Executive Director with Meril Lynch international. He was president of e Funds International from 2000 to 2003. He has worked in Senior Management positions of various International Banks. At present he is engaged in the areas of Financial Services, Heavy Industry, Information technology and Education.



DR. AMLA SAMANTA
Independent Director

She was lecturer in Saifee Hospital for MD students and also held various positions in the field of Medicine. Presently she is MD of Samanta Organics Pvt Ltd and Synermed Biologicals Pvt Ltd and holding Proprietorship /directorship in various Companies.

BRAND TRACTION

We have built a strong Brand Equity over the years. We have engaged several celebrity endorsements to enhance our visibility and grow our business.



Puneeth Rajkumar



Mohan Lal



Vikram



Akshay Kumar



Sachin Khedekar



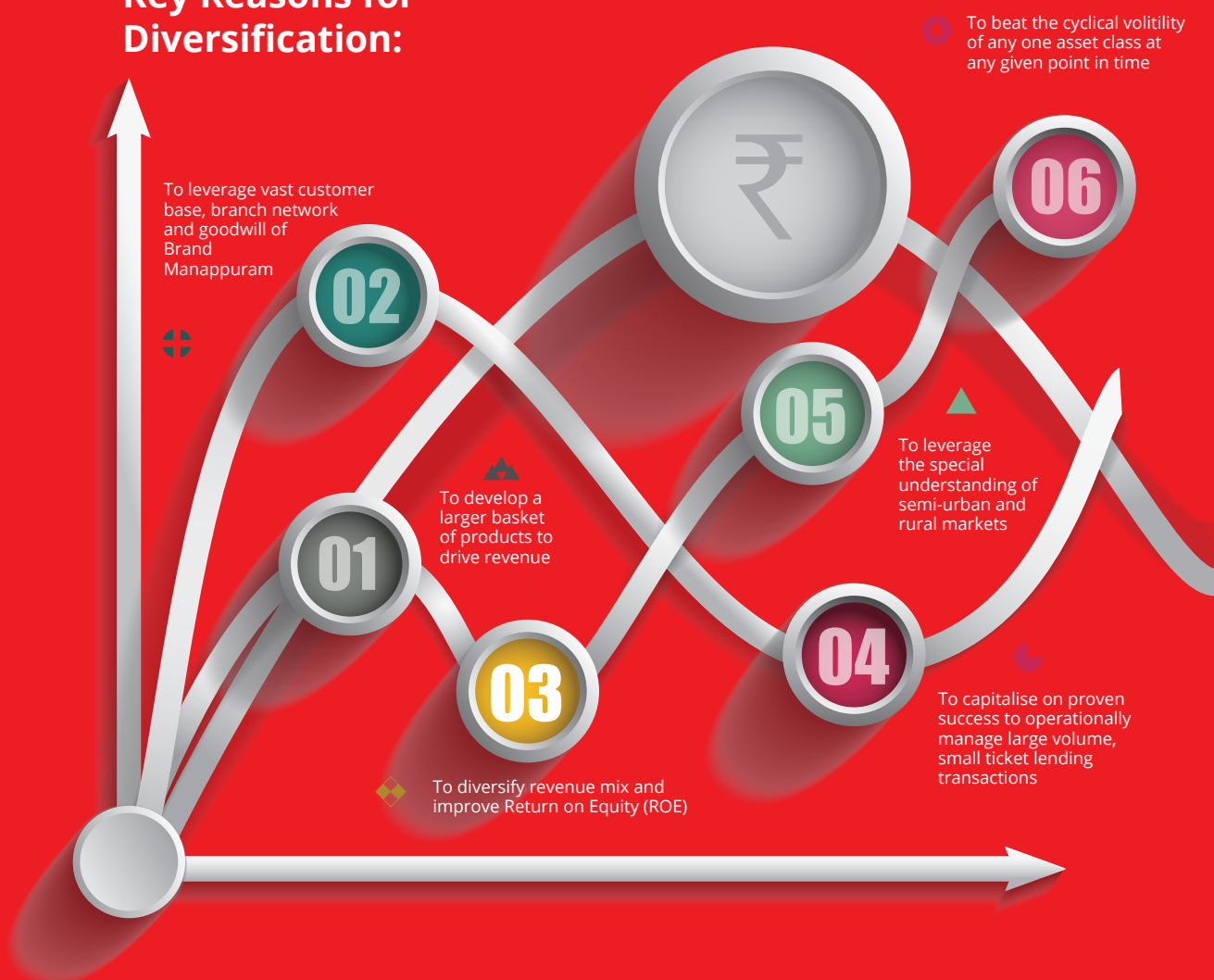
Uttam Mohanty



Venkatesh

We have diversified our business interests. Rather than being concentrated only in gold loans, today Manappuram Finance is also engaged in three businesses – Microfinance, Housing Loans and Commercial Vehicle loans. Our key objective behind this has been to reduce the dependence on gold loan finance and mitigate the risk of being a single product NBFC.

Key Reasons for Diversification:



Diversification into New Businesses

Spearheaded by subsidiary Asirvad Microfinance, our microfinance segment has performed extremely well during FY2016. The AUM of Asirvad Microfinance has grown by ~210% from Rs 3,220 million to ₹ 9,988 million. Asirvad now is present in 13 states/UT as compared to 4 states/UT in the last fiscal, with the new states contributing 21.5% to the AUM.

Microfinance:

The company entered the microfinance business by acquiring a major stake in a leading microfinance institution in Tamil Nadu – Asirvad Microfinance Private Limited, with operations in Tamil Nadu, Kerala and Karnataka. The acquisition has been a key enabler in scaling our microfinance portfolio sustainably, thereby benefiting all stakeholders. We are also proud to have made a foray into the microfinance business as it aligns with our broader agenda of financial inclusion. With this, we are able to elevate the standard of living of those lacking access to formal channels or credit.

Asirvad has moved up 8 places in the MFIN Rankings and is currently ranked as 14th largest microfinance organization in India as per MFIN rankings. The credit rating of the company has also improved this year after being acquired by Manappuram Finance, by virtue of Manappuram having a better credit rating and strong capital adequacy. Credit Rating of Asirvad Microfinance has gone up 3 notches from BBB- to A- this year leading to reduction in cost of funds from 17% to 14%. The profitability and asset quality of the microfinance segment is robust and the company successfully generated an ROA of 3.9% in FY2016. Manappuram Finance has further increased their stake in the company to 90% and have infused equity capital of Rs 999.9 million as growth capital to continue its strong growth in the business going forward.

Housing Finance:

We have also entered the affordable housing space. Our key objective behind this is to provide options for affordable home finance in the ticket size of Rs 15-20 lakhs in Tier 2&3 cities as well as in the outskirts of metro cities. To cater to this business, we set up our dedicated subsidiary – Manappuram Home Finance Pvt. Ltd. (MAHOFIN), with an experienced management team and with the domain expertise for mature appraisal methodologies and product structuring.

During FY2016, MAHOFIN achieved a loan book grew to Rs. 1,286 million. The home finance business grew 5718.2% year-on-year. A key highlight of the year was that our loan portfolio faced no delinquencies. Our customer acquisition strategy is unique in that it focusses on the team's ability to understand the needs of the customer and his creditworthiness. During the year, we continued to focus on fresh lead generation and cross-selling strategies within the distribution network to grow our home loans business. With our IT backbone and product configurations already in place, we spent the year getting the right talent by way of fresh recruitment and training of existing employees for building the business. We also set up branches in urban and semi-urban locations in South and West.

Moving ahead, MAHOFIN is ready with the right team, to grow its loan

book size to over Rs 5,000 million-plus by FY2018. With rising demand, a professional management and a strong brand and network support by the parent, MAHOFIN remains focused on delivering results responsibly and on achieving steady expansion over time.

Commercial Vehicles:

Aligned with our broader aim of diversifying into other asset classes, we commenced offering Commercial Vehicle loans selectively in Southern and Western regions of India. With this, our motive is to cater to under-served retail customers in the unorganized sector – those who have no formal access to banking or other channels of credit. During the year under review, our key focus was to establish a strong team with domain experience and establish the right marketing channels. We have so far disbursed a total of Rs 1298 million in this business and built a significant presence to sell across 36 locations, primarily in South and West India. Our objective behind this is to leverage our brand equity in these regions before we foray into the Northern and Eastern regions of India. Supported by 156 Domain Specialists, strong appraisal and pre-screening methodologies, we aim to cross a total disbursement of Rs 4,000 million by FY2018. The portfolio currently comprises 65% pre-owned vehicles, while the balance is contributed by new vehicles.

Anytime, Anywhere Gold Loan

As a company that always tagged its gold loans as “Make Life Easy”, we have now gone a step further – by making loans even more simpler with Online Gold Loans. We now hope to extend the concept even further by launching a co-branded debit card – one that will allow the customer to withdraw the loan amount from an ATM anywhere across India.

“Disruption displaces an existing market, industry, or technology and produces something new and more efficient and worthwhile. It is at once destructive and creative.”

Clayton Christensen, Professor,
Harvard Business School

Undoubtedly, the future of gold loans lies in innovative delivery channels. Realising this early in our business, we spun off our Online Gold Loan (OGL) arm into a separate vertical. We are all set to revolutionise the gold loan space through the OGL model, by enabling borrowers to acquire a gold loan through an Internet-enabled device.

Carving a Niche

OGL is essentially an extension of our earlier scheme which enabled customers to make online repayments of interest and principal amounts. With our current initiative under OGL, we have gone a step ahead and carved a niche for ourselves in the FinTech space. Our aim is to become the next big disruptor in the financial technology space, transforming conventional perceptions about gold loans. Led by CEO Dr. Sumitha Nandan, the arm is radically altering the day-to-day processes of gold loans.

Led by a small, yet focussed, team of 10 people, Dr. Nandan is working on a mandate to popularise OGL across India. During the year, we not only made the product compatible with

the smartphone, but also launched a simple, user-friendly android based app. The app has now crossed 10,000 downloads. An app based on the IOS platform is now on the cards.

The 100-day Plan

OGL has had a rousing start. In a short span of time, we rolled out a 100-day plan targeting acquisition of one lakh customers and one tonne of gold. All the branches of Manappuram have been made OGL-enabled. We have already seen some notable successes. While we have managed to enrol about 10,000 customers, our mobilisation of gold is to the tune of 500 kilos as collateral. the total loan outstanding is only marginally short of Rs 100 crore. Over the period of next two months, we will continue to focus on expanding our customer base and aim to achieve a goal of one lakh customers. Besides adding new customers, our key focus will be to leverage the brand equity of Manappuram and tap the existing customers by persuading them to go the online way.

Capitalise on your Spare Jewellery

Another key focus is to persuade people to store their jewellery, which is not in daily use, at the Manappuram branches. With this, OGL becomes a cheaper and more convenient alternative to credit card debt. Moreover, unlike conventional gold loans which catered to lower socio-economic segments, OGL appeals to the financially privileged sections of the society. Through OGL, the customer gets the benefits of convenience, speed and safety – all at the click of a button.

Tapping the Right Customer

For us, anyone looking for a quick and easy loan, with convenient repayments and settlement through smartphones and other internet-enabled device, is indeed a potential customer. A survey of existing and potential customers across India produced some interesting results. Apparently, customers appreciated the idea, particularly those who had used the product.

Online Gold Loans launched at Head Office, Sep 26, 2015



Our aim is to become the next big disruptor in the financial technology space, transforming conventional perceptions about gold loans. We wish to radically alter the day-to-day processes of gold loans.

Ushering in Online Gold Loan

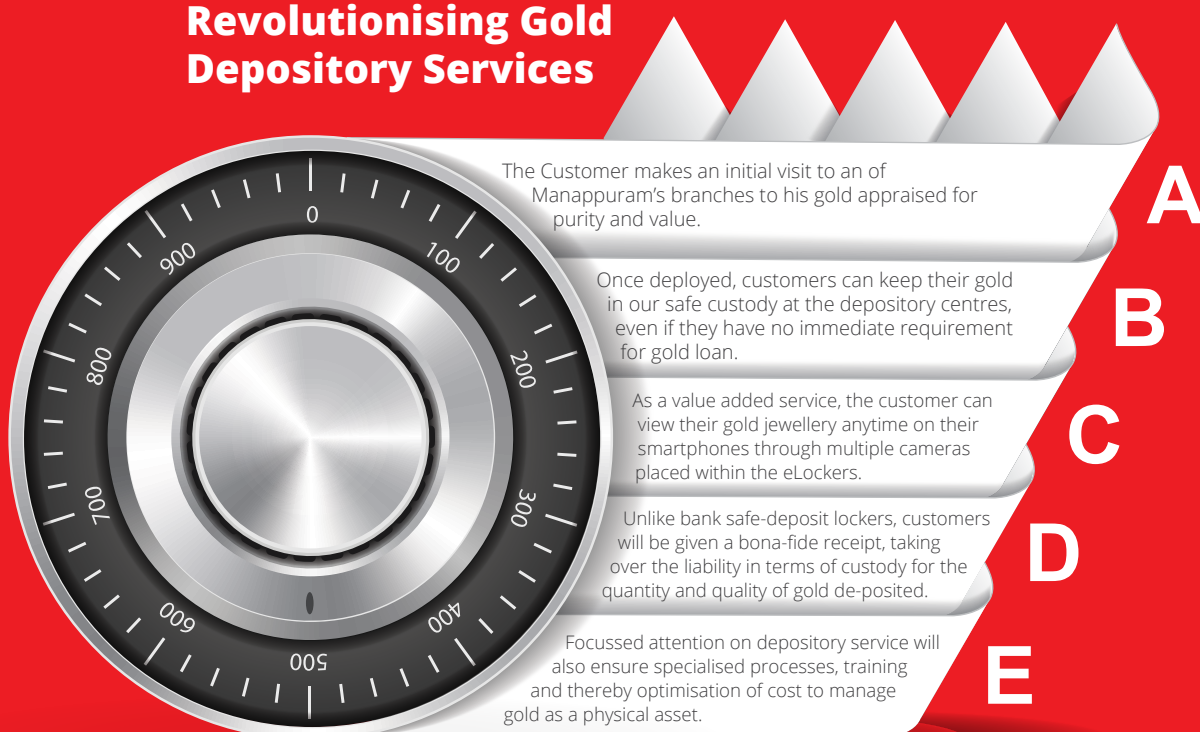


The Process:

1. Visit branch to appraise jewellery.
2. Transfer custody of pledged ornaments.
3. The Company insures and keeps the jewellery in the vaults.
4. A credit limit up to 75% of the market value is sanctioned.
5. Avail funds using any internet-enabled device.
6. Receive the loan proceeds to your bank account instantly.
7. Continue to keep your jewellery with the branch for future loans.

At some point in future, all the three innovative business models may converge into a bouquet of gold loan-based FinTech business offerings. This will help the Company engage directly with the e-commerce business ecosystem of India and spin off a slew of new business opportunities. This may include marketing strategies such as 'OGL for Healthcare', thereby enabling us to compete in the health insurance sector. Another example is the 'OGL wallets', which will help us to compete within the credit card business.

Revolutionising Gold Depository Services



Being Technology Ready

We are at the forefront of technology innovations within the Gold Loan sector. We have been continuously developing several FinTech platforms necessary to remain future-relevant. These are in tune with changing social habits and preferences of our customers and help us clearly stay ahead of competition.

We established a new institution – the Manappuram Centre of Excellence and Innovations (MaCE Inn) at Bangalore. This is aimed towards spearheading the company's strategy to use technology as the prime driver of business. Additionally, we also engaged leading technology advisory agency Gartner to support us in consideration and implementation of various technology strategies and investment decisions.

To obtain the best technological knowhow and systems stability, the Company's entire IT ecosystem is being managed by IBM under a 10-year strategic sourcing contract. This ranges from end-user device support, wide area network management to data centre and applications management. As part of our organisational transformation strategy, IBM is also implementing Oracle EBS based ERP system for finance and HRMS and Business Intelligence platform.

Key Business Strategies to Develop Technological Platforms:

Customer Self Service Platforms

We have launched the Online Gold Loan (OGL) service, wherein taking gold loans has been made as simple as using a credit card. The service has been enabled through web, smartphone and SMS platforms. Customers depositing gold automatically become eligible for gold loan to the extent of Loan to Value (LTV) limit. When customers are in need of gold loans, they can apply online from anywhere, without physically visiting the branch. Loan within permissible limits of LTV is then disbursed to the customer's bank account or prepaid debit card



online almost instantaneously. The software system automatically checks the eligibility criteria before disbursing such loans. Using OGL services, registered customers can take loans anytime, anywhere, at their convenience

This leads to substantial reduction in transactional and operational cost which can be passed on to customers in the form of discounted interest rates. Once a customer hands over the gold to us as part of the depository service, it eliminates the need to physically visit the branch for any gold loan related transaction. Besides OGL mobile apps, other complementary technologies associated with this service include biometric eKYC, online linkage with pre-paid debit cards, and IMT, among others.

Keyless Gold Storage Technologies

Safe storage of the customer's gold is an important element of our business model. We are currently in the process of developing a highly innovative eLocker system. Once this is developed, the network enabled eLockers will have no manual access to keys. They will be operated entirely by rule based software systems located at the central datacentre, using encrypted IoT based protocols. The automated operation will include

opening, closing, auditing and remote monitor-ing of such lockers and gold assets through secured encrypted IT systems. This will enable us launch new business concepts such as value-added gold depository services, static and mobile GL kiosks.

Enterprise Mobility Platform

We are working on the concept of Branch on Mobile (BoM). This enables Gold Loan transactions to be conducted outside the branch or even at the customer's doorsteps through field employees, agents, franchisees and business associates. The mobile apps that will be delivered through tabs and smartphones are currently under development.

Technology will enable us essentially segregate our gold loan business into two parts – depository service for safe custody of assets and online transactions for disbursement of loans. As a process, this will further enable delinking credit disbursement transactions from physical exchange of gold. Once delinked, gold loan credit can be as ubiquitous as the credit card or other online credit transaction systems prevalent today. This in turn will help the Company address a wide market segment that banks and other financial institutions do not consider creditworthy.

Management's Discussion & Analysis

The Indian economy is one of the largest economies in the world with a GDP at current prices of ₹ 127 trillion for financial year 2014. India is also one of the fastest-growing major economies in the world, with an estimated GDP growth rate at constant prices of 7.5% for the fourth quarter of financial year 2014-15.

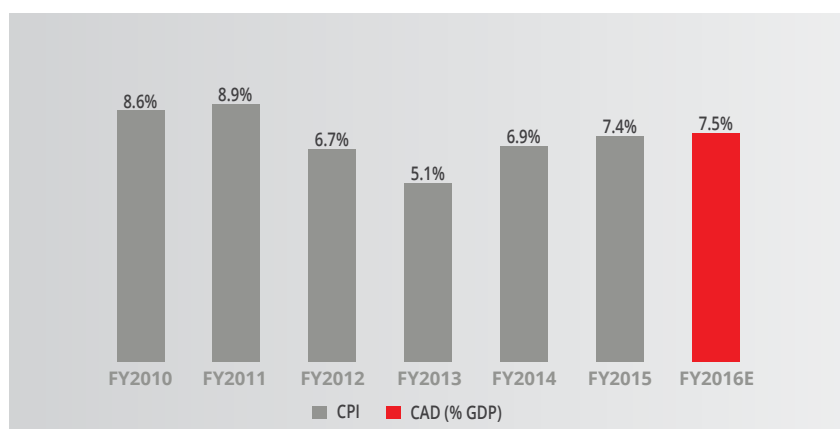
INDIAN ECONOMY

The Indian Economy went through an extremely challenging phase in FY2013 and FY2014, as the country struggled with a slowdown in the economy, prolonged period of policy inaction, double-digit inflation and an unsupportive external environment. The situation was aggravated as the Indian economy was faced with the widening twin deficits – current account deficit and

fiscal deficit and dwindling foreign exchange reserves. However, the economy turned a corner in 2014-15 with revival of growth, as India grew by 7.4% in FY2015 as compared to 5.1% in FY2013 and 6.9% in FY2014. FY2015 also witnessed a change in political leadership with the biggest margin in three decades, heralding a new era for Asia's third-biggest economy.

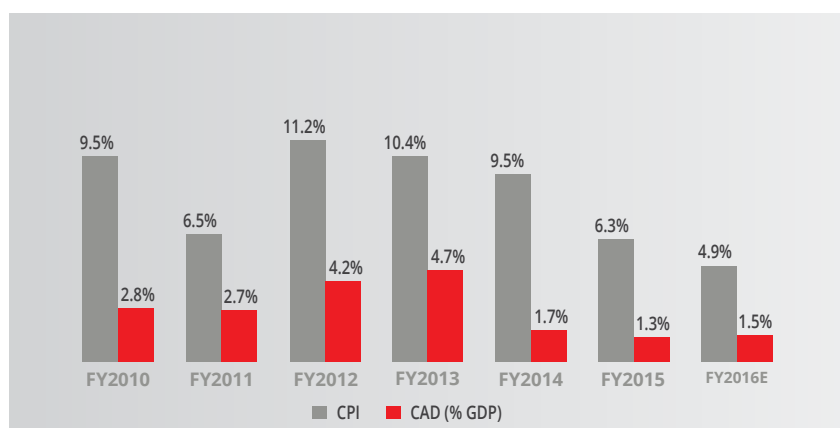
The recently concluded financial year began with a lot of promise, with expectations that the newly elected government would take concrete steps to reboot the economy, stamp out corruption and lure foreign investment by streamlining the country's complex regulatory regime. It has ended up on a mixed note as Prime Minister Modi's reform ambitions are far from being realised as he approaches his second anniversary in office. But there were significant developments on the plus side, as the economy continued to gain momentum and GDP growth strengthened to 7.6% in FY2016 versus 7.4% in FY2015. Inflation further softened to ~5.0% in FY2016 (4.83% in March-16) from 6.8% in FY2015 and 9.5% in FY2014. The moderation in inflation was driven by falling commodity prices. Declining oil prices and fiscal discipline adhered to by the government has helped in curtailing the fiscal and current account deficits. One of the most important steps taken by the new government is opening up India for international business, including opening of sectors such as railways and defence which have helped draw record foreign direct investment (FDI) in 2015. Those inflows have helped lift foreign exchange reserves by \$47 billion since April 2014 to \$350 billion at the end of December. However, on the downside FY2016 witnessed slow growth in the global economy, a second successive drought year and an inability of the government to push through important reforms such as GST and the Land Bill. Weak global economic growth has led to a decline in exports. In fact, Indian

GDP Growth Rate



Source IMF

Inflation & Current Account Deficit



Source IMF



Initiatives in Marketing: 2nd loan Mela at Madurai, Jan 31, 2016

exports have been contracting for 15 consecutive months. Failed monsoons have compounded stress in the rural economy leading to lower consumption growth and rising NPA's for financiers in rural areas.

The outlook for next year FY2017 is much more encouraging with economic growth expected to sustain above 7.5% levels. This would make India the fastest growing major economy in 2016-17 ahead of China, at a time when global growth is facing increasing downside risks placing India in a sweet spot in the global economic landscape.

NBFC - INDUSTRY OVERVIEW

NBFC's grew better than banks in FY2016, as loan growth remained lacklustre while NPL (non-performing loan) formation and credit costs continued to rise. A weak rural economy reeling under stress after two consecutive years of weak monsoon contributed to the slow loan book growth and rise in NPL levels. Some of the NBFC's predominantly operating in rural areas such as tractor financiers, and commercial vehicle financiers faced more challenges as compared to the overall industry. Housing Finance companies (HFCs) and microfinance companies were relative out-performers. HFC's continued to witness healthy growth rates, while loan book growth and earnings growth continued to be robust in the microfinance segment.

With inflation under control in FY2016, RBI cut its benchmark repo-

rate by 125 basis points beginning from January 2015. RBI placed an increased emphasis on pass through of the benefits of interest rate reduction by Banks during the year. The rate cuts have come as a much needed respite to NBFC's as it has helped them improve their NIM's on account of lower funding costs. With the Indian Economy expected to grow at a healthy rate in FY2016, early forecasts of a normal monsoon and inflation expected to remain in check are factors that would provide much needed impetus to NBFC's. Overall, NBFC's are expected to register better growth in FY2017, microfinance companies are expected to continue outperform.

Change in Competitive Landscape

On 17th July 2014, the Reserve bank of India (RBI) released the draft guidelines for small finance banks in a bid to address the basic banking needs of Rural India. Subsequently, on 17th September 2015, RBI announced in principle approval for 10 entities for opening small finance banks (SFBs) within one year.

Considering the fact that 70% of our population lives in rural India where penetration of financial institutions is negligible, this is a pro-active and positive initiative from RBI towards expanding access to financial services in rural and semi urban areas.

Microfinance has been the principal focus of most of these to-be small banks and it is likely to remain their core product over the next few years

given the huge growth potential, high profitability and robust asset quality. Looking at their likely business model SFBs are expected to transition into a niche entity, slotted between NBFCs and banks.

SFB's are likely to face an escalation in operating costs as they build technology, risk, ALM and treasury platforms. Net Interest Margins are expected to decline in the medium-term due to CRR/SLR drag, lower NIM's in other business segments as compared to MFI, no real benefit of CASA & cost of funds remaining high. Combination of these factors would lead to suppressed return ratios compared to their NBFC days. These firms would also have to raise funds in the medium term to invest in developing the required infrastructure & technological platform and reducing foreign holding to fall within the prescribed limits. Equitas Holdings and Ujjivan Financial Services, two of the NBFC MFI's which have been awarded SFB licences, have already come out with their IPO's while others are expected to follow suit.

GOLD LOAN

The Gold Loan business went through a rough patch between FY2012 and FY2014 due to adverse regulatory changes by RBI; declining gold prices; slowdown in the economy; rural stress and higher auctions denting profitability and return ratios. FY2015 onwards, however, market conditions started improving. RBI increased the LTV Ratio for Gold Loans by NBFC's to 75% from 60% and gold loan players started reaching out to customers,



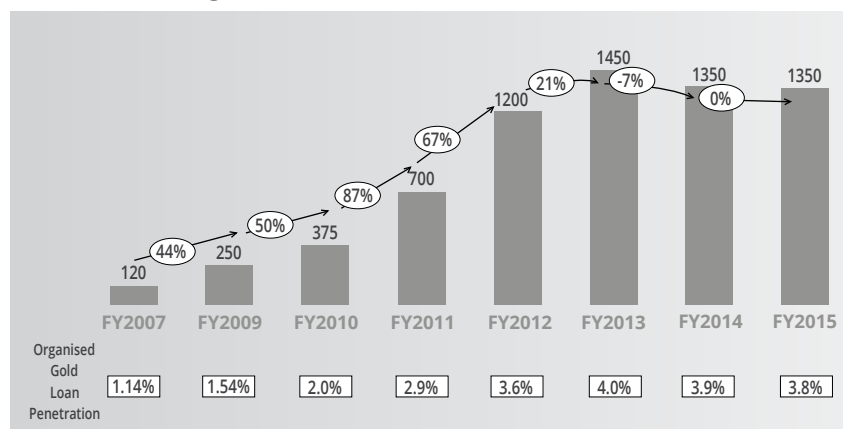
with the help of advertising and branch activations.

In the financial year FY2016, NBFC's with core focus on the Gold Loan segment have seen healthy volume growth and loan book growth. As per the IMAcS Gold Loan Report 2015, Competitive Intensity has eased with new entrants having retreated significantly from the sector, while many non-specialised players have

closed down branches or completely exited from this space. Some South based banks have also retreated and have reduced their loan books in this space. This has led to a consolidation of players leading to a reduction in competitive intensity, helping the remaining players garner higher market share, improved profitability, better NIMs and higher operational efficiency. Asset Quality indicators for

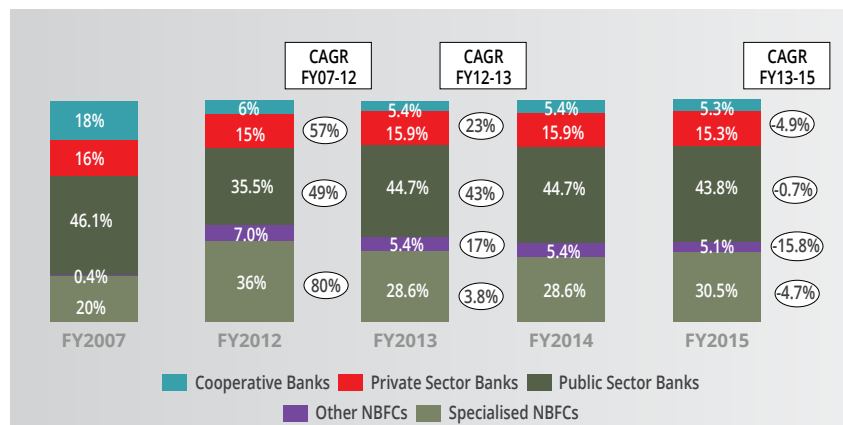
these players have been good, with GNPA's contained at lower levels and most of the NPA's being technical NPA's. As a result, specialised Gold Loan NBFCs were able to hold their ground despite challenges. The Specialised Gold Loan NBFCs have also rolled out several technological and risk management initiatives to improve their online delivery and sourcing, reduce their cost of operations, enhance the safety of the pledged gold and implement several client friendly and protection policies. These measures will in the long-term contribute to the development of more stable and stronger operations of Specialised Gold Loan NBFCs.

Growth of the Organized Gold Loan Market in India



Source: IMAcS Report

Gold Loan NBFC's Gaining Market share since FY14



Source: IMAcS Report

NBFC's grew better than banks in FY2016, as loan growth remained lacklustre while NPL (non-performing loan) formation and credit costs continued to rise.

In the financial year FY2016, NBFC's with core focus on the Gold Loan segment have seen healthy volume growth and loan book growth.

Industry Characteristics

The below table indicates the key drivers of the Gold Loan Market

Advantage Consumer	Advantage
Idle gold can be monetized for productive purpose	Collateral / Security is, with the lender -No requirement to reposes
Prompt Disbursement - Faster turnaround time	No Liquidity Issues - Gold is one of the most liquid assets class.
Minimal Documentation - No major documentation requirement	No Asset Liability Mismatch- Loan assets are for 3 to 6 month whereas liabilities are for 1 year and above
Flexible repayment option available	One of the lowest NPA segments

Parameter	Gold loan NBFC's	Banks	Money Lender
LTV	Up to 75 %	Lower LTV than NBFC's	Higher than 75%
Processing Fees	No / Minimal Processing Fees	Processing charges are much higher compared to NBFC's	No Processing Fees
Interest Charges	18% to 24%p.a	12% to 15% p.a	Usually in the range of 36% to 60% p.a
Penetration	Highly Penetrated	Not highly penetrated Selective Branches	Highly Penetrated
Mode of Disbursal	Cash/Cheque (Disbursals More than Rs.0.1 mn in Cheque)	Cheque	Cash
Working Hours	Open Beyond Banking Hours	Typical Banking Hours	Open Beyond Banking Hours
Regulated	Regulated by RBI	Regulated by RBI	Not Regulated
Fixed office place for conducting transactions	Proper Branch with dedicated staff for gold loan	Proper Branch	No fixed place for conducting business
Customer Service	High - Gold Loan is a Core Focus	Non Core	Core Focus
Documentation Requirement	Minimal Documentation, ID Proof	Entire KYC Compliance	Minimal Documentation
Repayment Structure/ flexibility	Flexibility Re- payment options, Borrowers can pay both the Interest and Principal at the dosure.No Pre Payment Charges	EMI compulsorily consists of interest and principal.Pre- Payment Penalty is Charged	-
Turnaround Time	10 Minutes	1-2 hours	10 Minutes

Specialised Gold Loan NBFCs are expected to regain their market share from banks as a result of restored regulatory parity between NBFCs and Banks.

Average Gold Prices for FY2016 were Rs 26,543 per 10 grams, down by 3% YoY as compared to average gold price in FY2015.

However, since the start of the new calendar year 2016, gold prices have increased significantly, rising by ~27% to reach Rs. 31,179 per 10 grams. (Gold Price as on 8th July, 2016 on MCX)

to remain subdued in the medium term. Banks are expected to restrict their exposure to the sector as they experience pressure on asset quality and overall weak credit demand. Further, RBI has directed banks to ensure stricter compliance on end-use of loans extended under priority sector lending, which might further reduce the banks' focus on the segment.

As per ICRA estimates, the Gold Loan market is expected to regain some of its lost momentum and grow at an annual rate of 13-15% over the next three years, to reach a market size of about Rs 1,900-2,100 billion in FY2018. Specialised Gold Loan NBFC's are expected to grow faster than the industry growth rate as competitive intensity remains subdued and many players further strengthen their presence in Non-South geographies, where competition from the organised sector is negligible.

HOUSING FINANCE

Housing Finance Companies (HFCs) continue to record healthy growth as experienced over the last 10 years. The total housing credit in India as of 31st December, 2015 crossed Rs 11.9 trillion, registering an annualised growth of ~18% for the year ending 31st March, 2015. Growth picked up Q2 onwards, supported by disbursements against construction linked-loans, growth in small-ticket housing loan segment and sustained demand from tier 2 & 3 cities. HFC's continued to report good profitability indicators with ROE at 18.8% in 9M

FY2016. Asset Quality indicators remained good, with GNPA's of 0.8% as on December 2015.

Over, the last 3 years housing finance companies have outpaced industry growth. HFC's have registered robust growth of 22% CAGR between FY2012 and FY2015, as compared to industry CAGR of 18% over the same period. In December 2015, the market share of NBFC's and HFC's increase to 37% from 30% from FY2010.

Housing Finance Companies and Banks that operate in the large ticket-size loans have been slowing down whereas the Small housing finance companies (AUM< Rs. 450 billion) operating in small ticket-size housing have growing at a robust pace, driving the overall growth in the industry. Low mortgage penetration and strong demand in affordable housing, low income segment and the self-employed segment have helped drive sustained AUM growth for these companies.

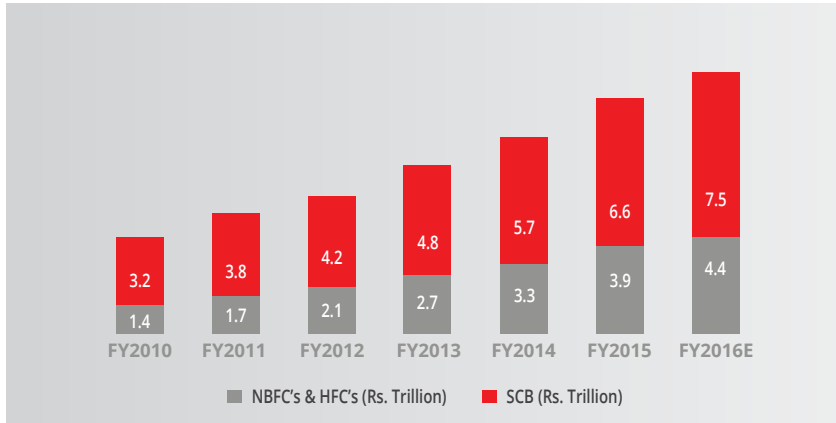
The long-term outlook of the housing finance industry is very positive, especially in the small ticket housing category. The affordable housing finance industry is expected to continue to record healthy growth over the next five years given the huge latent demand in affordable housing and the slew of measures taken by the Government and the Regulator to fulfil it.

Some of the key regulations that have been introduced by the

Gold Loan Business Outlook – Specialised Gold Loan NBFCs

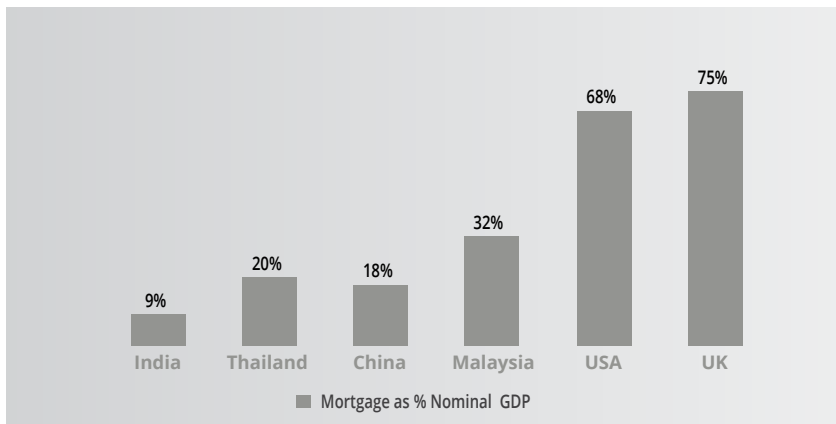
Specialised Gold Loan NBFCs are expected to regain their market share from banks as a result of restored regulatory parity between NBFCs and Banks. The competitive intensity in the sector is expected

NBFCs & HFCs Outpacing Industry Growth, Gaining Market Share



(Source: ICRA)

Low Penetration offers Potential for Growth



(Source: ICRA)

government to promote housing in the country are as follows -

- **Pradhan Mantri Awas Yojana (PMAY) - Housing for All by 2022**

The Central Government announced its vision for Housing for All by 2022 soon after the election victory in May 2014. Subsequently, the Government came out with the operational

guidelines in July 2015. The objective of the scheme is to construct of 3 million houses per year for the urban poor over the next 7 years. The scheme has announced two components for incentivising the supply side in affordable housing and two components for incentivising the demand side to help speed up the process and to make affordable housing on mass scale a reality by 2022.

- **Lowering of Risk Weights:**

In October, 2015 the regulator announced reduction in risk weights on individual home loans up to INR 7.5 million. This will lower the capital requirement on home loans, leaving huge room for additional growth.

- Grant of Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI) license to 41 HFC's is positive from a recovery perspective and would help minimise loss in case of a default.
- The higher cap on lending spread set by the National Housing Bank (NHB) under Rural Housing Fund (RHF) and Urban Housing Fund (UHF), from 2% earlier to 3.5% now is a big plus for the sector, especially for HFC's operating in

Mr. V.P. Nandakumar presents a memento to Mr. Ashishkumar Chauhan, MD & CEO of BSE, November 06, 2015





the small-ticket housing loans segment. With the revised RHF scheme, HFCs can lend to their customers at 9.6% and yet enjoy a spread of 3.5% providing adequate incentive for HFCs to pursue affordable housing.

COMMERCIAL VEHICLE FINANCE

Commercial vehicle financing has been a profitable and growing segment for NBFCs over the last 5-6 years. Over FY2010-FY2015, while the auto sales grew at a CAGR of 10.6%, vehicle loans have grown at a higher CAGR of 15% due to increased penetration levels. Higher yields in the range of 14%-20% helped commercial vehicle financing maintain healthy profitability levels and ROA's. However, due to successive failed monsoons, the rural economy suffered severely. As a result, over the last couple of years, CV financiers have had to face a challenging market environment riddled with declining ROA's and increasing NPL's. Transport companies too were affected adversely and were burdened by significant bad debt.

However, since the start of the new calendar year 2016, the industry started showing signs of strong revival as domestic sales of Commercial Vehicles increased by 9.4% in January-April 2016 over the same period last year. In the CV segment, M&HCV's continued to grow at a more robust pace as sales of M&HCVs increased by 30.2%. Now with the liquidity improving and money flowing freely into the

transport sector, sales are picking up in the LCV segment too. So, in the current scenario, M&HCV and the passenger vehicle segments are showing good growth while LCVs have started showing some traction since the past 3-4 months. Although the CV growth is mainly replacement demand based and the PV segment is mainly growing in urban areas, this consumption trend is an indication of a cyclical recovery. Lately, there has been a significant improvement in the funding environment for auto NBFC's with decline in bank base rates and wholesale funding rates since the past one year, funding costs and NIMs of auto NBFCs have improved. Most NBFCs have shifted to more bond borrowings in past 1 year as bond rates have fallen faster. Lower finance costs will help improve NIM's further and would also help in boosting auto sales.

Going forward, demand for commercial vehicles is expected to improve further. There are many favourable indicators to propel its growth, such as low interest rates, pent up demand across the segment and low fuel prices. The gradual opening up of the mining sector and award of infrastructure projects are also expected to generate demand for MHCVs going ahead. With construction work on projects already awarded by the government expected to commence in the coming months, most industry observers expect healthy demand in the commercial vehicles market. According to an Ernst & Young Report, the Indian automotive industry is expected to grow at a

CAGR of 12% over the next 5 years. As a result of this double digit growth in different vehicle segments, increasing penetration levels and increasing loan to value ratios, the auto financiers including the CV financiers are expected to grow at a faster pace than the estimated auto industry growth.

MICROFINANCE

After growing at a phenomenal rate of 59% CAGR over FY07-FY11, the Indian Microfinance Industry went through an extremely challenging time. The Andhra Pradesh (AP) government passed The AP Microfinance Act in 2011, which had significantly crippled the operating environment for microfinance players in the state. In recent years, the microfinance sector landscape in India has witnessed a paradigm shift since the AP Crisis. Over the last three years, microfinance industry has seen robust growth, a significant improvement in the funding environment and an ability of industry players to improve their profitability and asset quality, delivering higher return ratios. Microfinance AUM has grown at a CAGR of ~40% from Rs 1,741 million in FY2013 to YTD FY2016 to reach Rs 4,233 million driven by branch expansion and increasing customer base. Profitability has improved over the last three years driven lower credit costs and improving operational efficiency resulting in improvement in ROA's from 2.9% in FY2013 to ~3.2% in FY2016E.

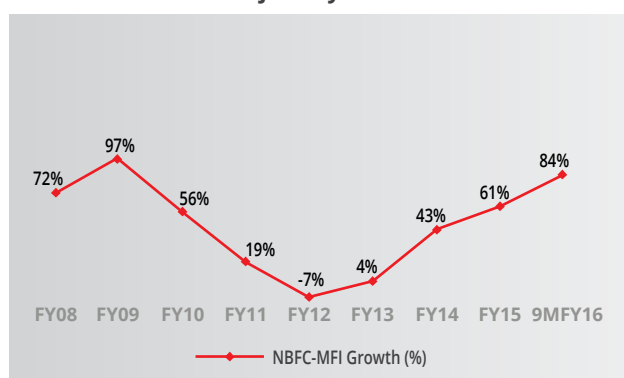
Some of the key regulations introduced by the RBI and prudent

The splendid growth achieved by microfinance companies in recent years have been supported by key positive developments that have taken place in the system including regulatory actions taken by the RBI.

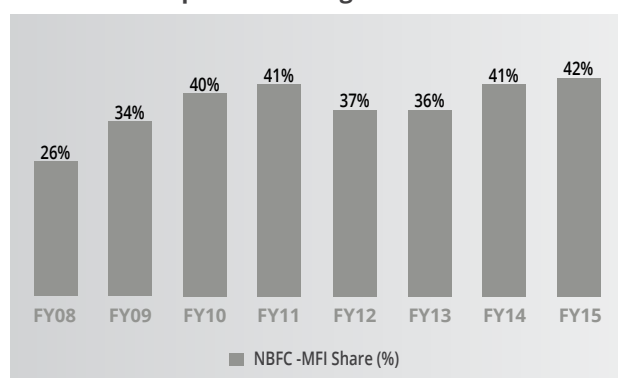
practices adopted by NBFC MFI's have helped them turn their fortunes around from the brink of extinction to the fastest growing segment in the Indian financial sector.

Charts below highlight the progress made by the NBFC MFI Industry in recent years:

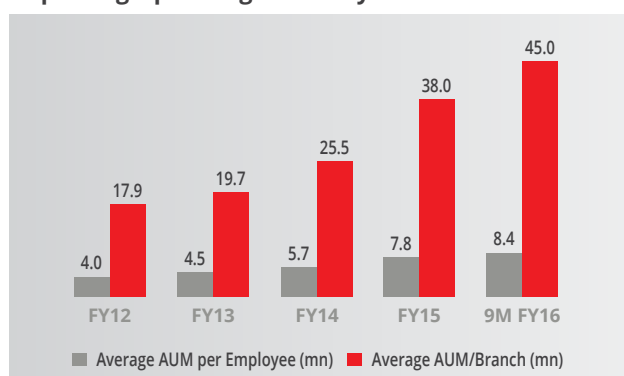
NBFC-MFI Growth Trajectory



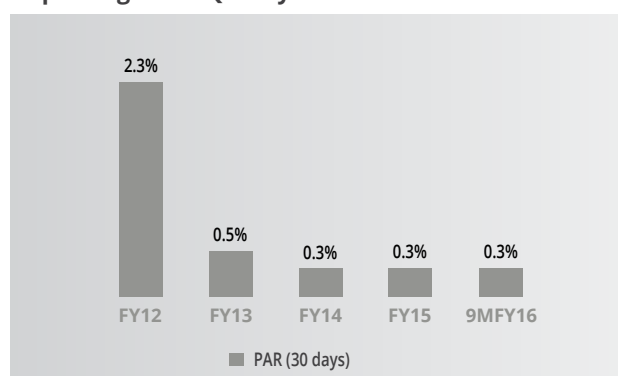
NBFC-MFI Companies Gaining Market Share



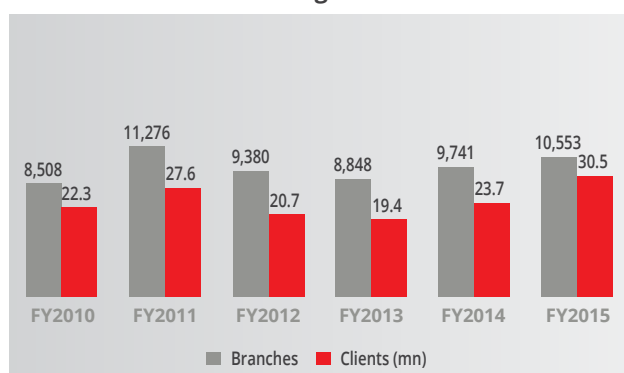
Improving Operating Efficiency



Improving Asset Quality



Branch Network & Growing Customer Base



The splendid growth achieved by microfinance companies in recent years have been supported by key positive developments that have taken place in the system including regulatory actions taken by the RBI. The central bank issued a set of guidelines to cover the operations of non-banking financial companies functioning as MFIs in March 2012:

- RBI introduced mandatory credit referral by Credit Bureaus. The presence of credit bureaus such as Equifax and Highmark which help lenders in accessing the borrower's leverage and credit

As per ICRA estimates, the potential size of the microfinance market is at Rs. 2.8 -3.4 trillion against the current market size of around Rs. 1.1 trillion (as of September 30, 2015, covered by Self Help Group Bank Linkage Programme, Microfinance Institutions and Bandhan Bank). "Thus, given the large growth potential, MFIs can grow at an annualised rate of 30-35% over the next three years."

bureau data has proved to be quite effective in evaluating borrowers leverage levels in rural areas. Credit bureaus are currently working on standardising the know your customer (KYC) requirement to eliminate the possibility of duplicate borrowers.

- RBI introduced the 2 MFI Rule to ensure that a borrower does not over-leverage by putting a cap on the number of MFIs that a borrower can access for availing credit to just two
- Most NBFC's MFI's have adopted the Joint Lending Group (JLG) lending model, where they lend to a small group (generally 6-8) of women for income generating purposes. An advantage of following the JLG model is that when one member of the group may not have sufficient cash flows to pay the instalments, other member can chip in for the time being.
- Most NBFC MFI's have now been collecting regular repayments (7-30 days). This has helped to maintain high asset quality. Group formation and timely collection have played a significant role in lowering probability of customer default

RBI has been observing the microfinance landscape with a keen interest has come out with a timely revision of its past regulations to spearhead the next phase of growth while protecting asset quality

- Removal of interest rate cap (Feb 2014): RBI has removed the interest rate cap of 26% on loans given by NBFC-MFIs and instead introduced margin cap at 10%. This measure has significantly improved the prospects for the smaller fledgling microfinance companies having high borrowing costs.
- Increasing the individual borrowing limits (Apr 2015): RBI increased the indebtedness limits from Rs50,000, per borrower to Rs100,000 per borrower after sensing the need for higher credit requirement by MFI borrowers. This has virtually doubled the addressable market for NBFC-MFIs.
- Increasing ticket size of one year loan to INR30,000 (Nov 2015): The RBI doubled limit for one year loans from Rs15,000 to Rs30,000. This should enable the MFI's to lend higher amounts to the eligible borrower in first cycle itself resulting in higher operational efficiency for the MFI's.

Enormous Untapped Opportunity

As per ICRA estimates, the potential size of the microfinance market is at Rs. 2.8 -3.4 trillion against the current market size of around Rs. 1.1 trillion (as of September 30, 2015, covered by Self Help Group Bank Linkage Programme, Microfinance Institutions and Bandhan Bank). "Thus, given the large growth potential, MFIs can grow at an

annualised rate of 30-35% over the next three years."

Large untapped market potential, positive regulatory stance of RBI towards the MFI Industry, increasing emphasis on financial inclusion and the prudent measures taken by the NBFC-MFI's is expected to help achieve high growth while maintaining discipline on the asset quality front over the next few years. There is still enough scope for MFI's to improve operational efficiency and achieve higher ROA's.

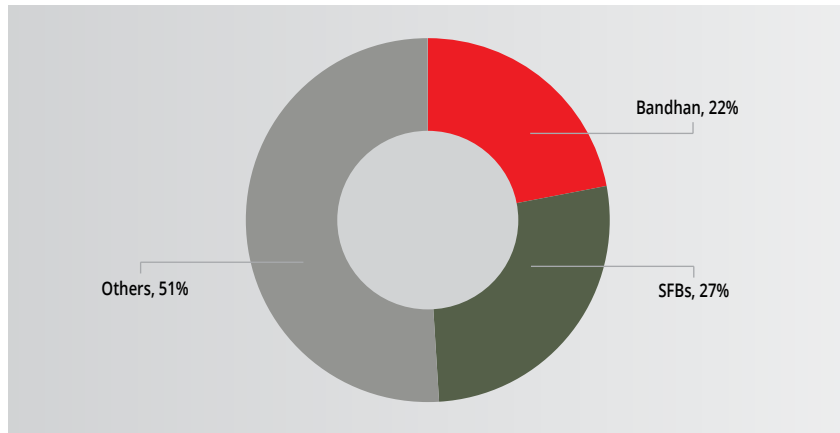
Impact of Emergence of Small Finance Banks on the MFI Landscape

The structure of the MFI sector is currently in a state of transition. While on one hand, Bandhan became a scheduled commercial bank in FY2016, seven NBFC-MFIs and one Core Investment Company (which has an NBFC-MFI as subsidiary) are likely to transform into SFBs by March 2017.

However, the growth prospects of NBFC-MFIs are not expected to suffer, on the contrary the established players are expected to benefit in the medium term. Although initially there were fears that remainder of the NBFC-MFIs (46% of the microfinance universe) would witness tighter regulations. But RBI has showed no such intentions and in fact continued with its benign stance by increasing the ticket sizes for 1 year loans.

In fact, Shri R. Gandhi (Dy Governor - RBI) made the following remarks on

Distribution of MFI as on March 31, 2015



Source: Data from MFIs, MFIN Micrometer, ICRA Analysis

prospects of NBFC-MFI at CII event in December 2015 "The NBFC-MFI segment is going to shrink heavily as the big ten of them convert themselves into Small Finance Banks in the next one year or so. I will hasten to add that this can yet bring higher impetus for the other NBFC-MFIs to grow, not just because of the availability of space vacated by the big ten, but also because the capital that will be released when many of the converting NBFC-MFIs pay off the current investors as a part of capital restructuring, and because of renewed interests by such venture capital aiming growth prospects in such conversions in the future"

COMPANY OVERVIEW

Manappuram Finance is one of the largest gold loan companies in India. It is the second largest listed player in the gold loan segment with an AUM of Rs 1,00,806.3 million (FY2016). It has a strong pan-India presence through its strong branch network, spread across 23 states and 4 union territories, serving a customer base of more than ~2.6 million.

Strong Brand Equity & Brand Presence

The Company has built strong brand loyalty across the country by adopting a customer first approach,

providing hassle-free, convenient and flexible gold loan products over the years leading to satisfied customers. Smart marketing initiatives including celebrity endorsements have helped Manappuram in gaining enhanced visibility and expanding its footprint. Manappuram is endorsed by well recognised film industry icons from all major regions of India.

New Business Strategy – Drive Sustainable Growth and Profitability

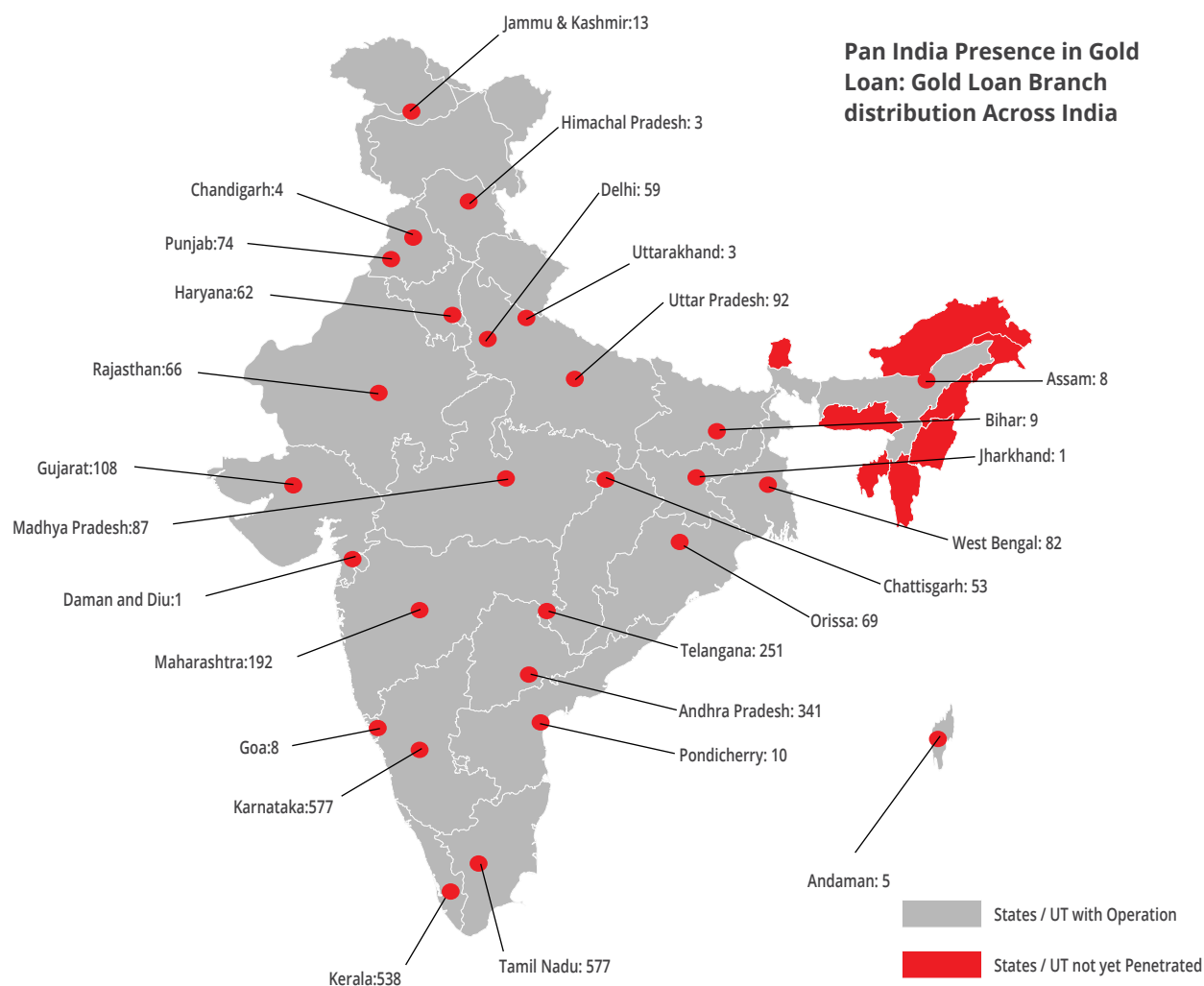
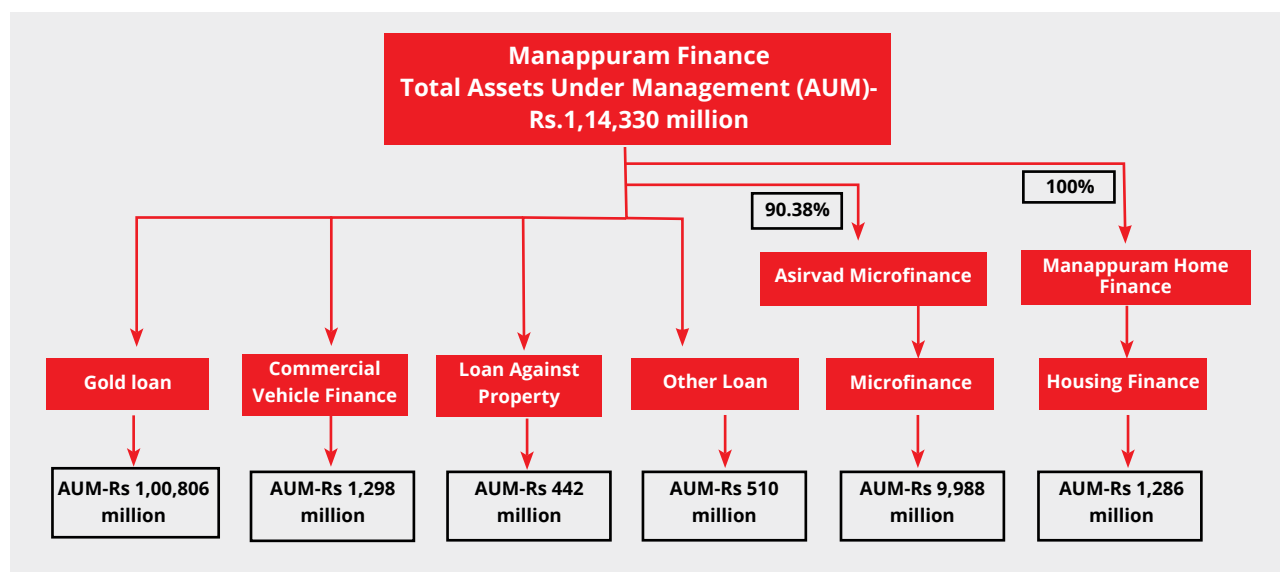
To take full advantage of Manappuram's strong capital adequacy, its strong brand equity and its well entrenched pan-India presence, the Company has decided to diversify into synergistic business segments to prudently grow their AUM. The segments include Microfinance, Housing Finance, Commercial Vehicle Lending, Loan Against Property (LAP) and other Loans segment that comprises of wholesale lending to other microfinance companies.

Manappuram's employees graduating with an MBA degree sponsored by the company



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

Manappuram Finance now operates across five different business segments, while the Gold Loan business continues to be its core business. The chart below provides an overview of the company's various businesses:



New Businesses helped support the overall AUM growth as the new business AUM grew by 269% from Rs. 3,669 million to Rs. 13,524 million, led by microfinance which grew by 210% to reach Rs. 9,988 million in FY2016. New businesses now constitute 11.8% of the overall business of the Company.

Business Performance Summary: FY2016

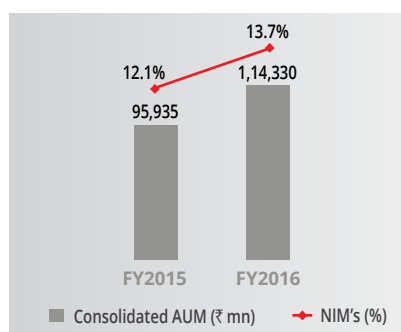
Manappuram Finance witnessed healthy growth during FY15-16, with growth across all business segments. Diversification efforts paid off as growth in the overall business was well supported by the robust growth witnessed in the new businesses.

Gold Loan business witnessed challenges as the economy especially the rural economy faced stress due to successive failed monsoons. However in these difficult times company was able to register an consolidated AUM growth of 19.2% and Gold Loan AUM growth of 9.3% in FY15-16. In the fourth quarter gold loan business grew by 4.6% QoQ driven by increase in gold prices. Strategy to shift shorter tenure loans helped improve NIM's & ROA's and create adequate buffer effectively de-linking the gold loan business. From the third quarter onwards the entire gold loan business was on shorter tenure loans. NIM's improved from 21.6% in Q2 to 23.8% in Q3, and ROA's from 2.1% in Q2 to 3.4% in Q3.

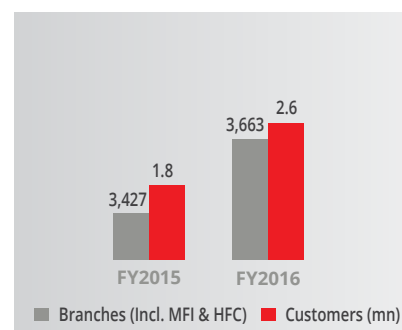
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Business Performance

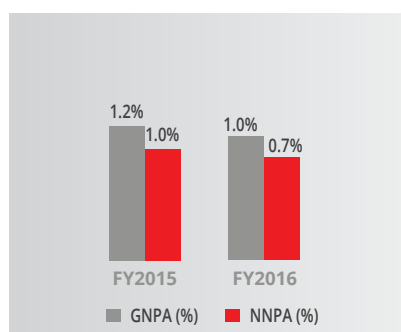
Strong AUM growth along with improving NIMs



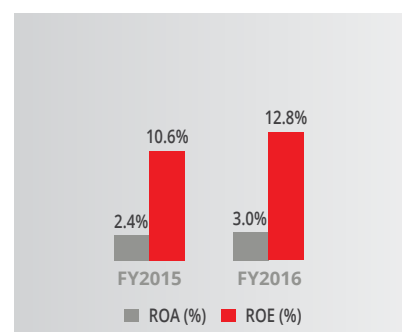
Growing Presence & Clientele



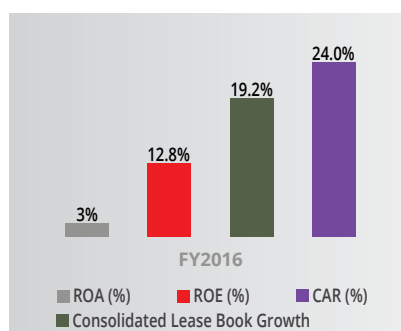
Stable Asset Quality



Improving Return Ratios

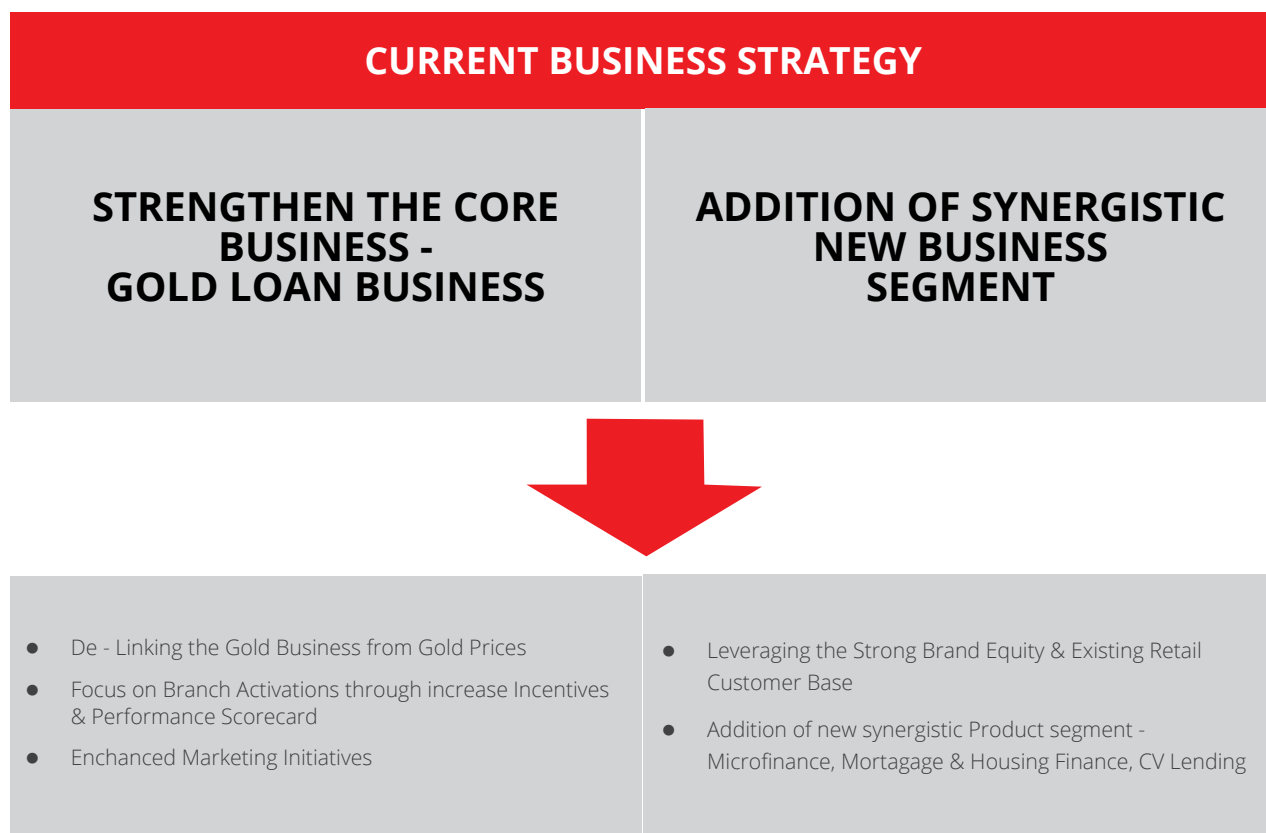


Key Performance Indicators



IMPROVEMENT ACROSS ALL KPI'S

- Strong Consolidated AUM Growth driven by growth across all categories
- Higher Return Ratios - ROA's & ROE's driven by improving NIM's
- Healthy Capital Adequacy to drive sustained growth for next 2-3 years without further equity infusion



Change in Business Strategy

After witnessing a very challenging couple of years in FY2013 and FY2014, in FY2015 the Company decided to change the way it does its business. Manappuram formulated new strategy to plug the loopholes and strengthen the growth profile of the company. Two key objectives were decided upon:

- Firstly, to strengthen the gold loan business and protect the business as much as possible from the volatility in the gold prices and drive volume growth.
- Secondly, to diversify into new synergistic business with a view to support the growth of the overall business by capitalising on its strong equity capital base and capital adequacy ratio.

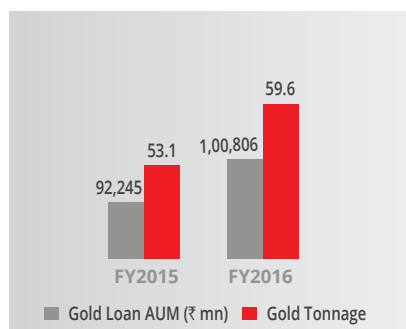
In FY2015 and FY2016, the Company then put the wheels of its strategy in motion by introducing shorter tenure gold loans; acquiring a seven year old NBFC-MFI "Asirvad Microfinance"; acquiring a shell company for starting a housing finance business; organically initiating Commercial Vehicle lending; and introduced loan against property.

GOLD LOAN BUSINESS OVERVIEW

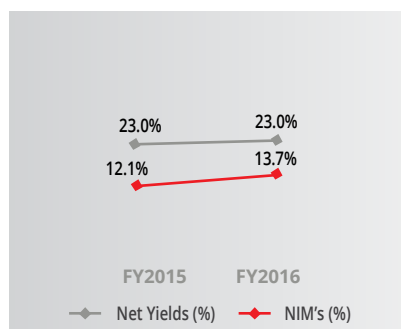
Gold Loan Portfolio registered a growth of 9.3% to grow from Rs. 92245.79 millions to Rs. 100806.29 millions in FY2016. The growth in Gold Loan business was backed by healthy growth in volumes as gold tonnage increased by 12.2% to reach 59.6 tonnes in FY2016. Average Gold prices were down ~3% YOY in FY2016. This pulled back AUM growth to an extent. Successive

failed monsoons put the economy in a bit of stress and severely hurt cash inflows in the predominantly agrarian rural economy. This hampered the growth of the gold loan business to a large extent. Introduction of shorter tenure loans helped reduce interest reversals resulting in higher yields. Average Yields in FY2016 were 23.0%. Improvement in credit rating, better liability mix and reduction in base rates by banks led to a reduction in cost of funds from 12.3% in FY2015 to 11.0% in FY2016. Combination of both led to an increase in NIM's from 12% to 15%. Asset quality continued to remain stable. Higher NIM's, curtailing of credit costs and improving operational efficiency resulted in higher return ratios - ROA's increased from 2.4% to 3.0% and ROE's from 10.6% to 12.8%.

Healthy AUM growth backed by volume growth



NIM's and Yields



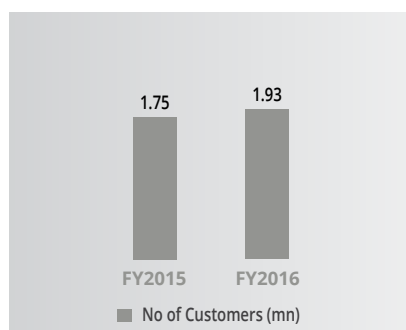
Impact

- Led to reduction in interest losses due to auctions resulting in higher NIM's
- De-linking business from volatility in Gold prices thereby helping maintain stable asset quality

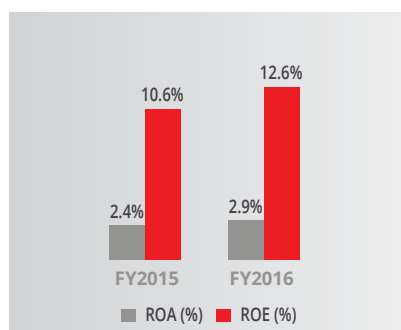
Focus on Branch Activations and Marketing & Advertising Campaigns

- Helped achieve volume growth of 12.2% in FY2016.

Growing clientele



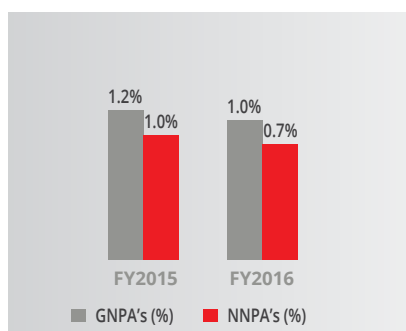
Higher Return Ratios (Standalone)



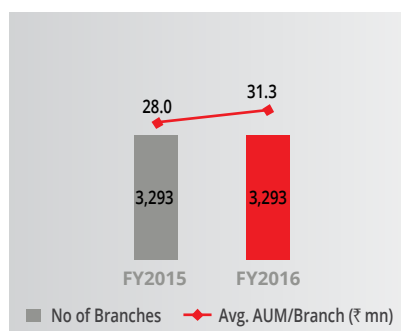
Launch of Online Gold Loan Services

A steady stream of technology-driven innovations and changing consumer preferences is rapidly transforming the retail financial services landscape. Your Company has been at the forefront in leveraging technology in gold lending, through the launch of innovative products and solutions aimed at making it more convenient for customers to deal with us. Manappuram has a multi-channel delivery model in line with its strategy to serve its customers by offering them the choice to transact through any channel, time and place of their preference. The Company also strives to anticipate the future needs of customers and deliver those expectations through technology-based solutions. In FY2016, Manappuram Finance Limited set itself to shake up the gold loan space once again. After expanding its network of branches to 3,300 locations across the length and breadth of India, it is now taking a bet on branches becoming increasingly irrelevant in future. The Company's latest gambit is Online Gold Loan or "OGL" where borrowers with access to any internet enabled device can get a gold loan anytime, from anywhere in the world.

Robust Asset Quality



Improving Operational Efficiency



Introduction of shorter tenure gold loans

Particulars	Q1 FY16	Q2 FY16	Q3 FY16	Q4 FY16
Net Yields (%)	22.3%	21.8%	23.8%	24.2%
NIM's (%)	12.2%	12.0%	14.5%	15.5%



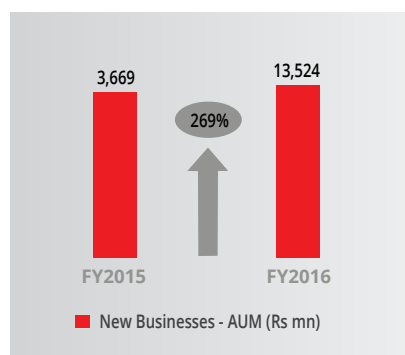
Mr. V.P. Nandakumar, MD & CEO, speaks about Manappuram's new online gold loan facility at a customer meet at Head Office, Oct 21, 2015

The customer has to make an initial visit to the company's branch to get his gold ornaments appraised for purity and value. He then hands over custody to the branch against a receipt that lists out full details about the pledged ornaments. Manappuram will be responsible for safe and secure storage of the jewellery in its vaults, rather like the locker facility offered by Banks. Unlike lockers however, the jewellery deposited gets insurance cover for full value. A credit limit of up to 75 per cent of the market value of the pledged gold ornaments is then sanctioned as Online Gold loan. Through on-line gold loan the customer gets the benefits of convenience, speed and safety, all at a click of a button. And that means anyone looking for a quick and easy loan, with convenient repayments and settlement through Smartphone and other internet enabled device is a potential customer. The loan

proceeds are instantaneously transferred to his bank account. Later, when the loan is repaid, the gold can continue to remain with the Manappuram branch for future loans. In FY2016, all of Manappuram's branches were OGL enabled.

OGL could become the next big disruptor in Financial Technology, transforming conventional perceptions about gold loans, and radically altering the processes of day to day gold loans. The Company has rolled out a plan targeting a total of one lakh customers and one tonne of gold by the end of FY2017. The longer term goal of the Company is to persuade people to store all their jewellery not in daily use at Manappuram's branches. The OGL can then become a cheaper and more convenient alternative to credit card debt. Moreover, the Company believes that unlike conventional

gold loans which catered to the lower socio-economic segments, OGL will also begin to appeal to the well-off and growing middle class. As for the next step, Manappuram hopes to extend this concept even further with a co-branded debit card that would allow the customer to withdraw the amount from an ATM anywhere in the country.



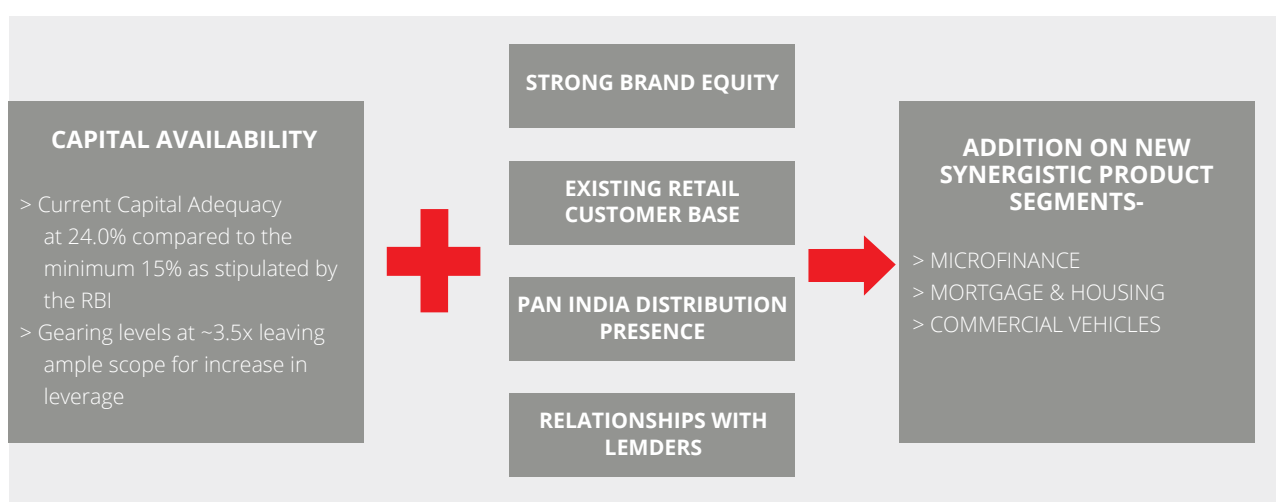
Share of New Business in Total AUM increased to 11.8%

Year	Total AUM (Rs. million)	New Business AUM (Rs. million)	New Business Share (%)
FY15	95,935	3,669	3.8%
FY16	114,330	13,524	11.8%

The Company aims to continue its robust growth in the new businesses and increase the share of new businesses from current 11.8% to ~25% by FY2018.

Rationale for Addition of New Synergistic Business

The chart below explains the our rationale for diversifying into new synergistic business segments



Given the current backdrop of a pro-growth and business friendly government at the helm, increasing emphasis on financial inclusion, stability on the regulatory front and Indian Economy is expected to achieve 7% or above growth over the coming years, the outlook of for Manappuram Finance is very positive. The aim of the company is to grow its AUM at a CAGR of 18-20% over the next three years. Current, high levels of capital adequacy should help achieve its aim without the need for fresh equity infusion leading to higher return on equity in the medium term.

The Company aims to continue its robust growth in the new businesses and increase the share of new businesses from current 11.8% to ~25% by FY2018.

Share of New Business in Consolidated AUM expected to increase from 11.8% to ~25% by FY2018.

Microfinance Segment Overview

MICROFINANCE – PRODUCT PROFILE		
Particulars	FY15	FY16
Number of States/UT's	3	13
Branches	130	346
Customers	277615	618419
Average Ticket Size	11600	16145
Average Yields (%)	25.3	23.5

In February 2015, Manappuram acquired 85% stake an eight year old NBFC-MFI "Asirvad Microfinance." It has also increased its stake in Asirvad to 90.4% during March 2016. Asirvad is one of the leading microfinance institutions in Tamil Nadu. The erstwhile promoter of the Asirvad, Mr. Raja Vaidyanathan continues to head the division, while continuing to hold 8.5% share in the business.

As of March 2016 Asirvad Microfinance had an AUM of Rs. 9,988 million. Asirvad is the 14th largest MFI player in India, as per MFIN Report December 2015.

Manappuram finance has considerably improved the funding environment for Asirvad Microfinance. It has helped take the credit rating of Asirvad up 3 notches up from BBB- to A-. This has led to an improvement in NIM's from 7.41% to 9.47% in FY2016, which has resulted in improving return ratios for the Company, as ROA's have increased from 3.6% to 3.9% in FY2016.

MICROFINANCE – KEY FINANCIAL METRICS		
Particulars	FY15	FY16
Net Worth (Rs mn)	1,089	2300
AUM (Rs mn)	3221	9985
NIM (%)	7.41	9.47
NII (Rs mn)	467	1261
Profit After Tax	104	240
Portfolio at Risk (30 days)	.03	.07
ROA (%)	3.6%	3.9%

Since its acquisition, the loan book of Asirvad has grown by 210% to reach Rs. 9,988 million in FY2016 from Rs. 3,221 million in March 2015, driven by increasing penetration and geographical expansion across India. In FY2016, the subsidiary has expanded its presence to 13 states/UT's compared to 3 states in February 2015. New States now contribute 21.5% of the total loan book. Branch network has increased from 130 branches in FY2015 to 346 branches in FY2016. Number of customers has increased from 277,615 to 6,18,419.

Manappuram finance has considerably improved the funding environment for Asirvad Microfinance. It has helped take the credit rating of Asirvad up 3 notches up from BBB- to A-. This has led to an improvement in NIM's from 7.41% to 9.47% in FY2016, which has resulted in improving return ratios for the Company, as ROA's have increased from 3.6% to 3.9% in FY2016. In order to strengthen the Asirvad's equity base, Manappuram Finance has infused Rs. 999.9 million of further equity capital into the subsidiary.

In current backdrop of positive Industry outlook, the Company aims to drive Asirvad's growth by continuing to expand its footprint across India and tap newer states and geographies. The Objective of the Company is to continue to drive robust growth over the next few years while maintaining stability on the asset quality front and continue delivering high ROA's.

Housing Finance

HOUSING FINANCE – PRODUCT		
Particulars	FY15	FY16
Number of States	2	4
Branches	4	24
Average Ticket Size (Rs mn)	1.4	1.5
Average Yields (%)	13.95	14.20
Average LTV (%)	68.93	70.96

Manappuram acquired a shell home finance company and changed the name of the company to Manappuram Home Finance (MHF) with the aim of growing its HFC business organically. MHF started its commercial operations in January, 2015, focusing primarily on the affordable housing segment. It has mainly been lending to the

self-employed segment comprising of shopkeepers and small traders residing in the city outskirts. Manappuram Home Finance has built a team of professionals with prior experience in housing finance.

HOUSING FINANCE – KEY FINANCIAL METRICS

Particulars	FY15	FY16
Net Worth (Rs mn)	448.4	945.6
AUM (Rs mn)	22	1285.7
NIM (%)	13.95	11.90
NII (Rs mn)	9.38	77.73

The Company has been able to grow its business quite well in its first full year of operations. Since, starting in January 2015, the AUM of the company has grown from Rs.22.0 million to Rs. 1285.7 million. MHF has expanded its operations in 4 states now, up from 2 states in March 2015, with a network 24 branches. Average yields of the company are around 14.2%. The company has not witnessed any delinquencies yet. Going forward, the aim of MHF is to continue to grow its business well by tapping newer geographies, through opening more of branches in the southern and western states. MHF aims to become profitable next year itself. With a Professional management team in place; strong macro-economic tailwinds such as low penetration; large latent demand in affordable housing; favourable regulations and sustained growth in Indian Economy, Manappuram Home Finance is well set to continue on its charted growth trajectory.

Commercial Vehicle Lending

COMMERCIAL VEHICLE FINANCE – KEY FINANCIAL METRICS

Particulars	FY15	FY16
AUM (Rs mn)	155	1,298

Manappuram started its operations towards the end of FY2015 by launching loans for commercial vehicles, selectively in Southern and Western India. The Company focused was on the Underserved Category of Customers who does not have access to Formal Banking system. The target customer profile for the Company is the first time buyer of commercial vehicles. Similar to the Housing Finance business, the Company has established an entire dedicated team of professionals with extensive prior experience in the CV Industry.

COMMERCIAL VEHICLE FINANCE – KEY FINANCIAL METRICS

COMMERCIAL VEHICLE FINANCE - PRODUCT PROFILE

Particulars	FY15	FY16
Number of States	6	8
Branches	15	36
Average Ticket Size (Rs mn)	0.62	0.61
Average Yields (%)	19.0	18.9
Average LTV (%)	78	77

The CV lending business witnessed good growth in its first full year as its AUM grew from Rs. 155 million to Rs. 1,298 mn. Manappuram is currently running its CV operations in 8 states and currently has a branch network of 36 branches. CV Branches are co-located with the gold loan business.. The loan portfolio comprises of 65% used and 35% new. Average LTV is a 77% and yield around 19%. The objective of this business unit in the medium-term is to increase its presence and add more branches in rural and semi-urban locations to drive growth at a fast pace. Company is looking to grow its CV loan portfolio at a robust pace over the next 3 years without compromising on the asset quality front.

HUMAN RESOURCE

As an organisation that prides itself as a pioneer and innovator, Manappuram Finance Ltd derives its strength from the dedication of its highly motivated staff. Right from inception, the company has been keen to spot and nurture the best available talent. The HR department of the company places emphasis on professionalism and in honing the skills of employees to maintain the edge in a competitive world. The company has a full-fledged training establishment where in-house training courses are regularly conducted in a professional manner

to upgrade skills and to enhance functional efficiency. Moreover, the company sponsors an MBA degree programme for its employees who have completed five years of service keen to upgrade their professional skills and qualifications.

1. The median remuneration of employees of the Company during the financial year was Rs. 1,66,896/-. In the financial year, there was an increase of 17% in the median remuneration of employees. There were 16,693 permanent employees on the rolls of Company as on March 31, 2016.

INFORMATION TECHNOLOGIES

Manappuram Finance Limited is a strong proponent of leveraging information technology to deliver convenience to its customers. The NBFC has been offering innovative and cutting-edge products to its customers with the objective of enabling transactions at any time and from anywhere. Manappuram's technology strategy has evolved in tune with the current consumer trends of social collaboration, mobility, cloud-based platforms and big data analytics. Digitisation and excellence in operations has been core to the NBFC's strategy in providing convenience to customers. It has resulted in a reduction in turnaround time and extended benefits to its customers.

Manappuram's cricket team in action at the Rajagiri Corporate Cup





An outbound learning programme for Regional Managers conducted at Pune, May 18 - 20, 2015

The process for systematic and proactive risk identification, assessment, measurement, monitoring and mitigation of various risks in the IT vertical has been initiated

RISKS THREATS AND CONCERNS

The Indian and global BFSI industry is very competitive and the ability of NBFCs to grow depends on their ability to compete effectively. We compete with public and private sector Indian and foreign commercial banks and NBFCs. Both the Indian and global financial sector may experience further consolidation, resulting in fewer banks and financial institutions. The Government is also actively encouraging banks and other financial institutions to significantly increase their lending to the agriculture sector, which will make this segment more competitive, while leaving the gold loans segment with fewer competitors. These competitive pressures affect the Indian and international BFSI industry as a whole, and our future success will depend in large part on our ability to respond in an effective and timely manner to these competitive pressures.

As gold loan prices become volatile, lenders find it difficult for growing their gold loan portfolio. Volatility also affects the rate at which gold loans get renewed by customers. This is because when gold prices fall, the value of gold with the bank or an NBFC also declines. Therefore, customers fear that if the prices are not stable then they may be asked

by their lender to pre-pay a certain amount. The Reserve Bank of India (RBI) has mandated the ratio at 75 per cent; if prices fall, then at times lenders are at the risk of exceeding the limit. As explained in the earlier sections of this MD&A, the Company has reorganised the way it structures its gold loans, so as to make it less vulnerable to gold price fluctuations.

Regulatory changes or enforcement initiatives in India or any of the jurisdictions in which we operate may adversely affect our business. We are subject to a wide variety of banking, NBFCs and financial services laws and regulations and a large number of regulatory and enforcement authorities in each of the jurisdictions in which we operate. The laws and regulations or the regulatory or enforcement environment in any of those jurisdictions may change at any time and may have an adverse effect on the products or services we offer, the value of our assets or our business in general.

Any slowdown in the Indian economy or volatility of global commodity prices, in particular, gold prices, could adversely affect our business. Because of the importance on gold loans, housing loans, commercial vehicle loans and microfinance to our overall business mix, any slowdown in the growth of the housing, automobiles and agricultural sectors could adversely impact our business, including our ability to grow our asset portfolio, the quality of our assets, our financial performance, our shareholders' funds, our ability

to implement our strategy and the price of our Equity Shares.

RISK MANAGEMENT

Manappuram Finance Limited has an evolving and robust risk management model of proven effectiveness, aligned with regulatory standards and international best practices, and proportional to the scale and complexity of its activities. The Company is exposed to various risks that are an inherent part of any non-banking financial services business. The major risks are credit risk, market risk, liquidity risk and operational risk which includes IT risk. The Company has policies and procedures in place to measure, assess, monitor and manage these risks systematically across all its portfolios. MFL is amongst the leaders to undertake implementation of the Advanced Approaches under Credit, Market and Operational risk. It has also undertaken the Enterprise and Group Risk Management Projects which aim to adopt global best practices.

RBI Guidelines on Basel III Capital Regulations have been implemented and the Company is adequately capitalised as per the current requirements under Basel III. An independent Risk Governance Structure, in line with international best practices, has been put in place, in the context of separation of duties and ensuring independence of Risk Measurement, Monitoring and Control functions. This framework visualises empowerment of Business Units at the operating level, with technology being the key

Manappuram Finance Limited has an evolving and robust risk management model of proven effectiveness, aligned with regulatory standards and international best practices, and proportional to the scale and complexity of its activities.

Message

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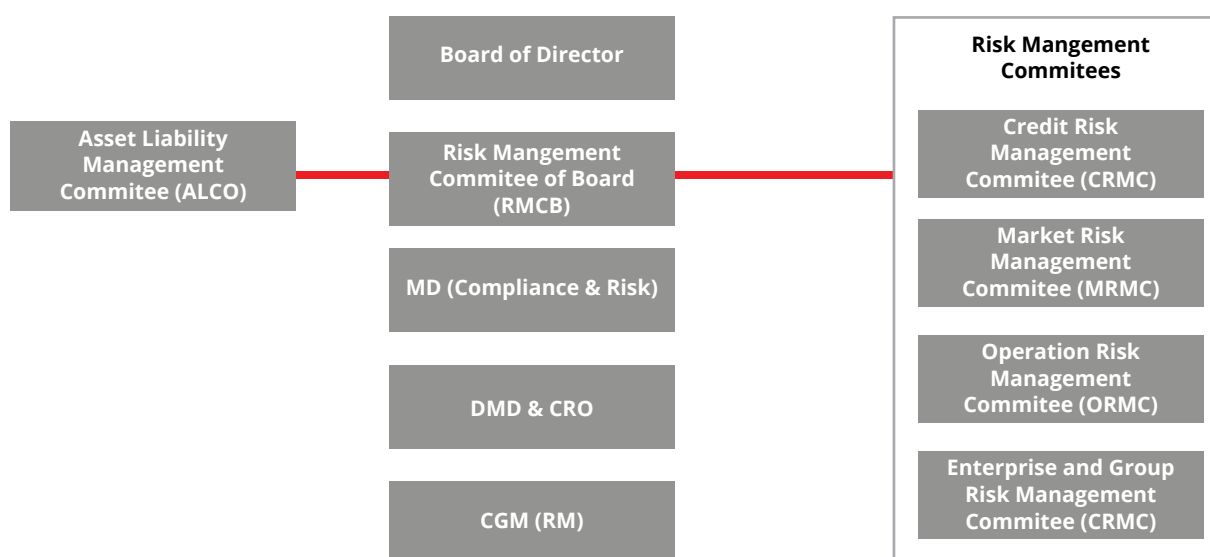
Board's Report
Governance Report

Financials

driver, enabling identification and management of risk at the place of origination.

The various risks across the Group are monitored and reviewed through the Executive level committees and the Risk Management Committee of the Board (RMCB) which meets regularly. Risk Management Committees at Operational unit and Business unit level are also in place.

Risk Management Structure



INTERNAL CONTROL

During FY2016, the Company strengthened its internal control environment around pre-screening and post sanction compliance, through digitisation and centralised monitoring. Keeping pace with the rapid digitalisation, Manappuram has initiated technology driven intervention in conducting various audits and moving towards

automation in the Company's audit processes.

The Company has in-built internal control systems with well-defined responsibilities at each level. It conducts internal audit through its Inspection & Management Audit Department. The Audit Committee of the Board (ACB) exercises supervision and control over the functioning of such internal controls. The inspection system plays an important and critical

role in identification, control and management of risks through the internal audit function, which is regarded as one of the most important components of Risk Management Process. The NBFC carries out mainly two streams of audits – Risk Focused Internal Audit and Management Audit, covering different facets of Internal Audit requirement. The

Bank's Management Audit covers administrative offices and examines policies and procedures, besides quality of execution thereof. To verify the level of rectification of irregularities by branches, audit of compliance at select branches is also undertaken. During the period FY2016, the Company has audited 3293 domestic branches under the Internal Audit.

FINANCIAL REVIEW(STANDALONE) Assets and Liabilities

The total assets of the Company increased by 5.1% from Rs 1,13,321.8 million at the end of March, 2015 to Rs 1,19,108.8 million at the end of March, 2016. During the period, the loan portfolio increased by 11.2% from Rs 92,693 million to 1,03,056 Rs

With economic growth is expected to sustain at ~7.5% as per IMF, the outlook for FY2017 is positive. This growth rate would make India the fastest growing major economy in 2017, placing India as an outlier within the global economic landscape.

million Investments decreased 14.6% from Rs 3,795 million to Rs 3,242 million as at the end of March 2016. A major portion of the investment was in the domestic market in government securities.

The Company's aggregate liabilities (excluding capital and reserves) rose by 5.4% from Rs 87,048.1 million to Rs 91,740.7 million on 31st March 2016. The increase in liabilities was mainly contributed by increase in deposits and borrowings. The Borrowings increased by 5% from Rs 83,918.5 million to Rs 88,003.4 million as at the end of March 2016 mainly attributable to borrowings from other institutional Agencies in India and borrowings and refinance out side India.

Interest Income and Expenses

Interest Income on advances in India increased from Rs 19477.4 million in FY2015 to Rs 21898.0 in FY2016, registering a growth of 12.4%, due to higher volumes. The average yield on advances (based on daily average) has also increased from 22.3% in Q4 FY2015 to 24.2% in Q4 FY2016. Income from resources deployed in treasury operations increased by 21.5% mainly due to higher average resources deployed. The.

Total interest expenses of our operations rose by 1.3% from Rs 8724.9 million in FY 2015 to Rs 8838.7 million in FY2016

Cost of funds declined from 12.3% in FY2015 to 11.0% in FY2016 due to improvement in credit rating, better

borrowing mix and reduction in base rates by banks.

Non Interest Income and Expenses

Non-Interest Income has decreased by 17% to Rs 232.8 million from Rs 279.9 million in FY2015. During the year, the company received Rs. 23.3 million by way of profit on sale of investments (Rs. 77.2 million in the previous year).

There was an increase of 28.3% in the staff cost from Rs 3,109.1 million in FY2015 to Rs 3,988.0 million in FY2016. Other Operating Expenses registered an increase of 9.5% mainly due to an increase in expenses on rent, taxes, lighting, repairs and maintenance and miscellaneous expenditure.

Operating Profit

The Company registered an increase of 25.8% in Operating Profit in the current financial year as compared to previous financial year. The company registered an increase of 25.8% in profit before tax in the current financial year. The profit before tax for FY2016 was Rs 5,189.1 million as compared to Rs 4,124.3 million in FY2015. The company posted a net profit of Rs 3372.4 million for FY2016 as compared to Rs 2707.3 million in FY2015.

Major Provisions

Rs. 218.5 million (net of write-back) for non-performing assets (as against Rs 183.8 million in FY2015, Rs 357.9 million towards standard assets (as against Rs 229.2 million in FY2015

0, Rs 1816.7 million towards Provision for tax (as against Rs 1,417.0 million in FY2015). An amount of Rs NIL million was written back against provision for depreciation on investments (as against Rs NIL millions written back towards depreciation on investments in FY2015).

Reserve & Surplus

An amount of Rs. 674.5 million (as against Rs. 541.5 million in FY2015) has been transferred to Statutory Reserves. An amount of Rs. NIL million (as against Rs. NIL million in FY2015) has been transferred to Capital Reserves. An amount of Rs. 169.9 million (as against Rs. 435.1 million in FY2015) has been transferred to debenture redemption reserve Reserves.

OUTLOOK

With economic growth is expected to sustain at ~7.5% as per IMF, the outlook for FY2017 is positive. This growth rate would make India the fastest growing major economy in 2017, placing India as an outlier within the global economic landscape. Given this current backdrop of 7% or above growth over the coming years; a pro-growth and business friendly government at the helm; increasing emphasis on financial inclusion; and stability on the regulatory front, the outlook for Manappuram Finance is very promising. Backed by this environment and the Company's strategic diversifications, Manappuram expects to grow its AUM at a CAGR of ~18-20% over the next three years. The Company's



current capital adequacy should help it in achieving this aim without the need for fresh equity infusion. This will lead to higher return on equity within the medium term.

Gold Loans: With the Indian economy expected to continue to grow at a higher pace; regulatory stability; enormous untapped potential; easing of competitive intensity for the specialized gold loan players; the introduction of Online Gold Loans and other positive measures taken by the company should help Manappuram record healthy growth in its gold loan business within the medium term. Although India's growth fundamentals are intact, policy space is constrained by a number of factors such as the acute water distress in a number of states. Growth could accelerate further in case of an adequate rainfall during the monsoon season of FY2016.

Microfinance: In the current backdrop of a positive Industry outlook; large untapped market potential; positive regulatory stance of RBI towards the MFI Industry; an increasing emphasis on financial inclusion and potential consolidation within the industry on the anvil, the Company aims to drive growth by continuing to expand its footprint across India and tap newer states and geographies. Its objective is to continue to drive robust growth over the next few years while maintaining stability and quality on the asset quality front and continue delivering high ROA's.

Housing Finance: Long-term outlook of the housing finance industry is very positive, especially in the small ticket housing category. The affordable housing finance industry is expected to continue to record healthy growth over the next five years given the huge latent demand in affordable housing and the slew of measures taken by the Government and the Regulator to fulfil it. Manappuram aims to grow its AUM significantly over the next 5 years.

Commercial Vehicle Financing:

Going forward, there are many favourable indicators to propel growth in the sector, such as low interest rates, pent up demand across the segment and low fuel prices. The gradual opening up of the mining sector and award of infrastructure projects are also expected to generate demand for MHCVs going ahead. With construction work on projects already awarded by the government expected to commence in the coming months, most industry observers expect healthy demand in the commercial vehicles market. According to an Ernst & Young Report, the Indian automotive industry is expected to grow at a CAGR of 12% over the next 5 years. As a result of this double digit growth in different vehicle segments, increasing penetration levels and increasing loan to value ratios, the auto financiers including the CV financiers are expected to grow at a faster pace than the estimated auto industry growth. Manappuram aims to grow its AUM significantly over the next 5 years.

CAUTIONARY STATEMENT

This document contains statements about expected future events, financial and operating results of Manappuram Finance Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of Manappuram Finance Limited's Annual Report, FY2016.

Board's Report

To the Members,

The Directors have pleasure in presenting before you the 24th Annual Report of the Company together with the Audited Consolidated and Standalone Statements of Accounts for the financial year ended 31st March, 2016.

1. FINANCIAL SUMMARY/HIGHLIGHTS, OPERATIONS, STATE OF AFFAIRS

(₹ In millions)

Description	Standalone		Consolidated	
	2015-16	2014-15	2015-16	2014-15
Gross Income	22174.74	19809.40	23738.26	19934.27
Total Expenditure	16985.62	15685.12	18254.45	15797.54
Profit Before Tax	5189.12	4124.28	5483.8	4136.73
Provision for Taxes/Deferred tax	1816.69	1416.96	1932.25	1421.96
Minority interest	-	-	17.90	1.60
Net Profit	3372.43	2707.32	3533.68	2713.17
Balance b/f from previous year	2848.66	2469.29	2,851.54	2468.99
Amount available for appropriations	6221.09	5176.60	6385.22	5182.16
Appropriation				
Transfer to Statutory Reserve	674.49	541.46	722.41	544.13
Transfer to General reserve	0	0	0	0
Transfer to Debenture Redemption Reserve	169.91	435.14	169.91	435.14
Interim Dividend on Equity share	1892.74	1135.64	1892.74	1135.64
Tax on Interim Dividend	385.31	215.71	385.31	215.71
Proposed Equity dividend	-	-	-	-
Tax on dividend	-	-	-	-
Balance c/f to next year	3098.64	2848.66	3159.29	2851.54

The comparative operational results shown above summarize the financial performance of the company for the year under report and for the previous year. Profit after tax for the year under review has gone up by 24.57% in comparison to the previous year and total revenue of the company has gone up by 12%. As of March 31, 2016, the loan book of the company stands at Rs.103055.98 million as against Rs. 92594.57 million recorded on March 31, 2015. The positive growth in loan book was the consequence of multiple factors such as focus on growth in gold collateral and number of customers, diversification of portfolios, macro-economic scenario, and certainties in the regulatory environment for gold loan NBFCs. A system of regular, periodical collection of interest has been introduced across our branches. Our improving credit and risk profile enabled us to lower our cost of funding significantly. All these enabled us to report encouraging results with a good increase in profits during FY2015-16.

During the year, the company implemented customer friendly short tenure loan schemes with an option to the customers to choose the schemes based on their convenience and requirement, in lieu of longer tenure loan schemes in previous years; and these Loan Schemes also gives comfort to customers that interest sensitive customers can choose lower interest product, LTV sensitive customers can choose higher LTV product.

During the year, the Company also launched Online Gold Loan ('OGL') facility for the customers, where customers with access to any internet enabled device can get a gold loan anytime, from anywhere in the world. For availing this facility, the customer needs to make an initial visit to the nearest branch of the Company to get his/her gold ornaments appraised for purity and value and then, he/she need to handover the custody to branch against the receipt.

Local marketing activities like village campaigns, Loan Melas, Shop visits, Home visits, Notice distribution were carried out immensely. Campaigns for acquiring new customers, Proper review and monitoring at field level. Employee motivation through incentives and other activities also contributed to the positive growth of company.

No material changes/commitments, effecting financial position of the Company, have occurred between the financial year ended March 31, 2016 and the date of this report.

2. MEETINGS OF THE BOARD

During the financial year 2015-16, the Board met on six occasions viz. 14-05-2015, 14-08-2015, 05-11-2015, 07-11-2015, 12-02-2016 and 11-03-2016.

3. DIRECTOR'S RESPONSIBILITY STATEMENT:

Pursuant to section 134(5) of the Companies Act, 2013, the board of directors, to the best of their knowledge and ability, confirm that:

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- ii. they have 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 of the Company for that period;
- iii. they have 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 have prepared the annual accounts on a going concern basis;
- v. they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;
- vi. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and external consultants, including audit of internal financial controls over financial reporting by the statutory auditors, and the reviews performed by management and the relevant board committees, including the audit committee, the board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2015-16.

4. DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

The Company has received necessary declaration from each Independent Director of the Company as per Section 149(7) of the Companies Act, 2013 that the Independent Directors of the Company meet with the criteria of their Independence laid down in Section 149(6). The Company has also received undertaking and declaration from each director on fit and proper criteria in terms of the provisions of corporate governance (Reserve Bank) Directions, 2015.

5. POLICY ON BOARD COMPOSITION COMPENSATION AND EVALUATION CRITERIA AND RELATED DISCLOSURE

The Board of Directors has adopted a policy on director's appointment and remuneration for directors, Key Managerial Personnel and other employees including criteria for determining qualification, positive attributes, and independence of directors as laid down by the nomination compensation and corporate governance committee of the board which is annexed to this report as Annexure I. The Board has also adopted criteria for evaluating its own performance and of its committees and individual directors as laid down by the nomination and remuneration committee. The evaluation processes carried out on the following parameters:

Board	Committees	Individual Director
Board Structure and Composition	Committee Structure and Composition	Attendance

Board	Committees	Individual Director
Effectiveness of Board processes, information and functioning	Degree of fulfillment of key responsibilities	Professional Conduct
Establishment and delineation of responsibilities to Committees	Effectiveness of meetings	Role and functions
Quality of relationship between the Board and the Management	Committee dynamics	Duties
	Quality of relationship of the Committee with the Board and the management	Contribution to the Board/ Committees/ Senior management

6. BOARD REPLY ON STATUTORY AUDIT AND SECRETARIAL AUDIT QUALIFICATION

There were no such audit qualifications during the financial year 2015-16.

7. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Particulars of Loans, Guarantees or Investments are annexed herewith as Annexure –II

8. PARTICULARS OF CONTRACTORS AND ARRANGEMENT WITH RELATED PARTIES

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were on an arm's length basis. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions. Details of the same is attached in Form AOC-2 as Annexure III.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website at the link: <http://manappuram.com/files/Policy-on-Materiality-of-Related-Party-and-Manner-of-Dealing-With-Related-Party-Transactions.pdf>

Your Directors draw attention of the members to Note 24 to the financial statement which sets out related party disclosures.

9. RESERVES

During the year, the company has not transferred any amount to General Reserves and it remains same as Rs. 3885.08 million. The total reserves and surplus as on March 31, 2016 stands at Rs.25,685.67 million.

10. DIVIDEND

The Company has paid four interim dividends for the financial year 2015-16 with an amount of 0.45 paise per equity share (face value Rs.2/- per share) on 14th August 2015, 05th November 2015, 12th February, 2016, and 11th March 2016, respectively. The aggregate amount of Rs. 1.80/- per shares paid as dividend for the financial year 2015-16, amounts to 90 percent of the paid up value of the shares.

11. MATERIAL EVENT SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENT

Your Directors had approved the proposal for issuing of Employee Stock Options to eligible employees of Subsidiary Companies and revised draft Employee Stock Option Scheme 2016 in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014, subject to approval of the Shareholders through Postal Ballot, at their meeting held on 12th May, 2016.

12. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO:

(A) Conservation of energy & Technology absorption:

The company is engaged in the financial services and therefore conservation of energy etc. have a limited application. However, the company follows a practice of purchasing and using energy efficient electrical or electronic equipment and gadgets for its operations. Additionally, optimal use of technology may also lead to substantial conservation of energy.

In respect of technology absorption, the company was one of the first NBFCs to build and operate a centrally managed software application and all its branches across the country operate online with direct access to the centrally hosted applications, through wide area data network. The company continues to differentiate itself from other market competitors by continuously developing new technological platforms to offer ease of operations and transparency for its customers. As described above, these next-gen innovations are poised to completely transform the gold loan industry itself.

(B) Foreign exchange earnings and Outgo

The Company holds AD Category II licence from the Reserve Bank of India for its foreign exchange operations. Following are the details of foreign exchange earnings and outgo during the period covered by this report:

Foreign Exchange Earning	: Nil
Foreign Exchange Outgo	: 0.09 million towards foreign travel and training expenses Nil towards import of capital goods

13. RISK MANAGEMENT POLICY

The Company has a Board approved Risk Management Policy wherein all material risks faced by the Company viz. Operational Risk, Regulatory Risk, Price, Interest rate Risk and Credit Risk are identified and assessed. Risk Management Department is headed and managed by competent professionals for identification, assessment and managing/mitigating risk related issues across the organization. For each of the Risks identified in the process, corresponding controls are assessed and policies and procedure are put in place for monitoring, mitigating and reporting risk on a periodic basis.

14. CORPORATE SOCIAL RESPONSIBILITY POLICY

The Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company has been formulated by the Board based on the recommendation of the Corporate Social Responsibility Committee (CSR Committee). The CSR Policy may be accessed on the Company's website at the link: http://www.manappuram.com/files/CSR_Policy.pdf

The Report on CSR activities is annexed herewith marked as Annexure IV.

15. FORMAL ANNUAL EVALUATION

The board of directors has carried out an annual evaluation of its own performance, board committees and individual directors pursuant to the provisions of the Companies Act, 2013 and the corporate governance requirements as prescribed by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 ["SEBI (LODR) Regulations, 2015"].

The board and the nomination, compensation and corporate governance committee reviewed the performance of the individual director on the basis of the criteria various factors such as attendance, level of participation, contribution to the meetings and its decision making, continuity on the board, and performance appraisal questionnaire, etc. In addition, the chairman was also evaluated on the key aspects of his role.

The performance of the board was evaluated by the board after seeking inputs from all the directors on the basis of the criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.

In a separate meeting of independent directors, performance of non-independent directors, performance of the board as a whole and performance of the chairman was evaluated, taking into account the views of executive directors. Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

The board of Directors has confirmed that all existing Directors are fit and proper to continue to hold the appointment as Directors in Board as reviewed and recommended by the Nomination Compensation and Corporate Governance Committee on fit and proper criteria under Corporate Governance (Reserve Bank) Directions, 2015

16. DETAILS OF REMUNERATION / COMMISSION RECEIVED BY MD OR ED FROM SUBSIDIARIES.

Name of Subsidiary	V.P Nandakumar	B.N Raveendra Babu
Manappuram Home Finance Private Limited	NIL	NIL
Asirvad Micro Finance Private Limited	NIL	NIL
Manappuram Insurance Brokers Private Limited	NIL	NIL
Total	NIL	NIL

17. AUDIT AND AUDITORS REPORT:

Statutory Audit

The statutory Auditors M/s S.R. Batliboi & Associates LLP, Chartered Accountants, Firm Registration Number - 101049W, TIDEL Park, 6th and 7th Floor - A Block, Module 601, 701-702, No 4 Rajiv Gandhi Salai, Taramani, Chennai 600 113, are being reappointed as the auditors of the Company to hold office from the conclusion of 22nd Annual General Meeting to the conclusion of the 25th Annual General Meeting of the Company.

The notes annexed to the Standalone and Consolidated financial statements referred in the Independent Auditors' Reports are self-explanatory and do not call for any further comments.

Secretarial Audit

The Board appointed M/s KSR & Co. Practicing Company Secretaries LLP, to conduct Secretarial Audit for the financial year 2015-16.

Secretarial audit report for year ended on March 31, 2016 as provided by M/s KSR & Co. Practicing Company Secretaries LLP, Indus chambers, Ground floor, No.101, Govt Arts College Road, Coimbatore-641018, is annexed to this Report as Annexure- V.

18. MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis Report is attached and forms an integral part of the Annual Report.

19. DIRECTORS AND KEY MANAGERIAL PERSONNEL, CHANGE, IF ANY:

Mr. Ramesh Periasamy joined the Company as Company Secretary on May 02, 2015.

Mr. B. N. Raveendra Babu was reappointed as Executive Director for the period of 5 years with effect from January 11, 2015 through Postal Ballot conducted on November 30, 2015. Mr. Raveendra Babu is a qualified ICMA (Inter), M.com and having over 21 years of working experience in NBFC. He has also worked in a senior position in the Finance & Accounts Department of Blue Marine International in U.A.E. He is also acting as Director of Asirvad Micro Finance Private Limited, a subsidiary of the Company.

Mr. I Unnikrishnan, Non-Executive Director resigned from the Company w.e.f. November 05, 2015.

20. DIVERSIFICATION OF BUSINESS

Back in FY2015 with a large net worth and access to debt capital, your Company had decided to diversify its business by leveraging its vast number of existing and new customer relationships developed through its mainstay Gold Loans business over the years. The objective of this diversification was to build at least 50 percent of total Asset Under Management from sources other than gold loans, so as to mitigate the risk of being a single-product NBFC. Over FY2016, the new business verticals have been highly successful in leveraging your Company's vast customer base, branch network and the goodwill of the Manappuram Brand. During the year,

the management was able to stabilise the business processes, establish the manpower strength of each vertical and forge synergistic lead generation connections with the group's vast network. The key achievement for FY2016 has been the building up of highly experienced teams with the precise domain expertise and the setting up of the dedicated branches to serve their respective products.

Microfinance:

Your Company has produced remarkable progress and results for its Microfinance business in FY2016. Spearheaded by its subsidiary Asirvad Microfinance, this business segment has been the fastest growing segment for the Manappuram Group. The AUM of Asirvad Microfinance has grown by ~210% from Rs 3,221 million in FY15 to Rs 9,988 million in FY16. The robust growth in the segment has been driven by increasing geographical penetration and growing customer base. Asirvad now is present in 10 states/UT's as compared to 4 states/UT's in the last fiscal, with the new states contributing 8.8% to the AUM. It now has a network of 346 branches spread across these states successfully serving 6.2 lakh customers as of FY2016. As a result of this robust growth, Asirvad has moved up 8 places in the MFIN Rankings and is currently ranked as 14th largest microfinance organization in India as per MFIN rankings. The credit rating of the company has also improved this year after being acquired by Manappuram Finance, by virtue of Manappuram having a better credit rating and strong capital adequacy. Credit Rating of Asirvad Microfinance has gone up 3 notches from BBB- to A- this year leading to reduction in cost of funds from 17% to 14%. The profitability and asset quality of the microfinance segment is robust and the company successfully generated an ROA of 3.9% in FY2016. Manappuram Finance has further increased their stake in the company to 90.3% and have infused equity capital of Rs 1,000 million as growth capital to continue its strong growth in the business going forward.

Housing Finance:

Manappuram Home Finance Pvt. Ltd. (MAHOFIN), is your Company's dedicated subsidiary that has been set up to cater to the affordable housing space. Its overall objective is to provide options for affordable home finance in the ticket size generally ranging from 15-20 lacs, majorly distributed into the outskirts of metros, tier-II and tier-III cities. Your Company's customer acquisition strategy focuses on the team's ability to understand the needs of the customer, his net-worth and financial limits. Its management team is made up of seasoned people with core domain expertise and who possess mature appraisal methodologies and product structuring solutions that are friendly for a customer to manage. In combination with its dedicated branches, the growth of the home loans business will be based fresh lead generation and on the cross selling strategies within the Manappuram group's network of branches and regional points of contacts. Having established its IT backbone and product configurations in FY2015, in FY2016 the management essentially focused on establishing the unit's manpower strength through recruitment and training on a strong business model for building the business. During the year, it established dedicated human resources and branches in urban and semi-urban locations, both in the South and the West. By the end of FY2016, MAHOFIN achieved a loan book growth of Rs.128 crore. The business grew by 5718% YoY and the loan portfolio has so far faced no delinquencies. Going forward, your Company is now ready with its teams, products and branches to grow the loan book size steadily to more than Rs. 500 crore plus in FYE2017. Going forward, with strong demand, professional management and strong brand and network support of the parent, MAHOFIN remains focused delivering results responsibly and achieving steady expansion over the period of time.

Commercial Vehicles:

In line with the decision made to diversify into other asset classes, your company started loans against commercial vehicles in FY2015, selectively in the South and West regions. The strategy envisages financing commercial vehicles to the underserved category of customers who are from largely unorganised sector without formal access to banking and other financial institutions, with a reasonable margin. In FY2016, your Company focused on establishing a strong team with domain experience, and establishing the marketing channels and networks for lead generation. The target segment is the retail clientele that is underserved by the big banks. Since the start of this business your Company has so far disbursed around Rs.130 crore and built a presence to sell across 36 locations, with a strong focus on the western and the southern regions. The portfolio comprises of approximately 65% pre-owned vehicles and the balance for new vehicles. Your Company's objective is to utilise its established brand equity in these regions before it decides to expand towards the Northern and Eastern areas

of the country. The business is supported by strong appraisal and pre-screening methodologies, where the credit scoring cut-offs are strictly adhered to. Now, staffed by some 156 domain specialists, your Company is targeting to cross Rs. 400 crore total disbursements by FY2017.

21. RAISING OF ADDITIONAL CAPITAL

Company has not allotted any shares during the financial year 2015-16.

22. DEBENTURE REDEMPTION RESERVE

Pursuant to the provisions of the Companies Act, 2013 and the relevant circulars issue by the Ministry of Corporate Affairs, the company is required to create a Debenture Redemption Reserve (DRR), to which amounts shall be transferred from the profits every year till the debenture is redeemed. The amount of DRR shall be 25 percent of the NCDs issued through public issue in compliance with SEBI (Issue and Listing of Debt Securities) Regulations 2008, and no reserve is required in respect of NCDs issued through private placement. As a matter of policy, your company creates a reserve on a proportionate basis till the redemption of the debentures. Accordingly, the company transferred a sum of Rs. 169.91 Million to DRR during the year. Further, the company has to invest, in the prescribed manner, a sum equal to 15 percent of the NCDs maturing on or before March 31, 2016 towards which the company has deposited Rs. 255.13 million with a Scheduled Bank. (Subsequent to the year-end has deposited Rs.189.08 million)

23. RESOURCES

The Company as an NBFC, mobilization of resources at optimal cost and its deployment in the most profitable and secured manner constitutes the two important functions of the company. The main source of funding for the company continues to be credit lines from the banks and financial institutions. Your company as at March 31, 2016 availed various credit facilities from 28 banks.

Management has been making continuous efforts to broaden the resource base of the company so as to maintain its competitive edge. The next important source of funding is the issue of Secured Redeemable Non Convertible Debentures (NCDs). In addition, the Company also raised funds through the issue of Commercial Papers (CPs).

Your directors are confident that the company will be able to raise adequate resources for onward lending in line with its business plans.

24. DEPOSITS

As you are aware, your company had stopped acceptance of deposits from the public in 2007. Your company had converted itself into a non deposit taking Category 'B' NBFC. All amounts due to deposit holders have been transferred to an ESCROW account opened with Punjab National Bank. The balance outstanding as on March 31, 2016 was Rs. 74007/-..

As on the date of this report, there were no deposits which are due for transfer to the IEPF Account of the Central Government on the expiry of seven years after maturity. There is regular follow up on the part of the Company to redeem unclaimed deposits.

25. COMPLIANCE WITH NBFC REGULATIONS

Your Company has complied with all the regulatory provisions of the Reserve Bank of India applicable to Non-Banking Financial Companies. As on March 31, 2016, the Capital Adequacy Ratio of the Company is 24 percent, well above the statutory requirement of 15 percent.

26. EMPLOYEE STOCK OPTION SCHEME (ESOS)

Your Directors had approved the proposal for issuing of Employee Stock Options and draft Employee Stock Option Scheme 2016 in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014, subject to approval of the Shareholders through Postal Ballot, at their meeting held on 11th March 2016 to reward the eligible non-independent directors and employees of the Company based on their performance as an incentive to attract and

retain the best available talent, ensure long term commitment to the Company, encourage individual ownership of the Company, by motivating them to contribute to the growth and development of the Company through ownership interest and thereby helping to achieve the ultimate objective of enhancing the enterprise value.

27. DISCLOSURE:

Composition of CSR Committee

Name of the Member	Position	Category of Directors
Mr. Rajiven.V.R	Chairman	Independent, Non-Executive
Mr. V.P.Nandakumar	Member	Non-Independent, Executive
Adv. V.R.Ramachandran	Member	Independent, Non-Executive
Dr. Amla Samanta	Member	Independent, Non-Executive

Composition of Audit Committee

Name of the Member	Position	Category of Directors
1. Mr. P. Manomohanan	Chairman	Independent, Non-Executive
2. Mr. Sailesh J Mehta	Member	Independent, Non-Executive
3. Mr. E.A. Kshirsagar	Member	Non-Independent, Non-Executive (Nominee director)
4. Mr. V.R. Rajiven	Member	Independent, Non-Executive
5. Dr. Amla Samanta	Member	Independent, Non-Executive

Vigil Mechanism and Whistle Blower Policy

The Vigil Mechanism of the Company provides adequate safeguards against the victimisation of any directors or employees or any other person who avail the mechanism and also provides direct access through an e-mail, or dedicated telephone line or a letter to the Chairperson of the Audit Committee.

No person has been denied access to the Chairman of the audit committee. Company has ensured that its employees are well aware of the content and procedure of the policy and fully protected. The Vigil Mechanism and Whistle Blower Policy may be accessed on the Company's website at the below link:
<http://www.manappuram.com/files/Whistle-blower-Policy-v2.pdf>

Related Party Disclosure

Pursuant to Part A of schedule V of the SEBI (LODR) Regulations, 2015

(₹ in millions)

Sl. No.	In the accounts of	Amounts at the year end	Maximum amount of loans/ advances/investments outstanding during the year
1	Manappuram Home Finance Private Limited	NIL	405.00
2	Asirvad Micro Finance Private Limited	NIL	500.00

During the financial year 2015-16, no investment made by the loanee in the shares of the company and subsidiary company, when the company has made a loan or advance in the nature of loan.

28. EXTRACT OF ANNUAL RETURN:

Extract of annual return in Form MGT-9 is annexed herewith as Annexure- VI.

29. DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The company has put in place adequate internal financial controls including core gold loan operations and these controls are robust, defensible and thereby operating effectively in mitigating the risks. During the FY 2015-16,

such controls were tested and test reports were reviewed by the Audit Committee of the Board. No reportable material weaknesses in the design or operation were observed.

30. LISTING WITH STOCK EXCHANGES:

The Company confirms that it has paid the Annual Listing Fees for the financial year 2016-2017 to Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) where the Company's shares are listed and pursuant to SEBI Circular No. CIR/CFD/CMD/06/2015 dated October 13, 2015 and SEBI (LODR) Regulations, 2015, the Company has executed fresh Uniform Listing Agreements with the BSE and NSE on 24th February 2016.

31. CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION:

The Company has been practicing principle of good Corporate Governance over the years. The endeavour of the Company is not only to comply with the regulatory requirements but also practice good Corporate Governance that lays strong emphasis on integrity, transparency and overall accountability. The report on corporate governance forms integral part of this annual report.

32. SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

33. SUBSIDIARIES

Details of the Companies which have become / ceased to be its Subsidiary/ JV/ Associate Company.

Your Company has subscribed 10351966 equity shares of Asirvad Microfinance Pvt. Ltd during the financial year 2015-16, at present company holds 90.38% of its shares.

Your Company has subscribed 55000000 equity shares of Manappuram Home Finance Private Limited during the financial year 2015-16, at present company holds 100% of its shares.

Your Company has acquired 770000 equity shares of Manappuram Insurance Brokers Private Limited during the financial year 2015-16, at present company holding 100% of its shares.

Asirvad Microfinance Private Limited

Gross Income of the Company as at 31st March, 2016 is Rs.1560.9 Million as compared to Rs. 673.2 Million for the year ended 31st March, 2015 and Profit after Tax has gone up by 130% as at 31st March, 2016 with Rs.239.6 Million as compared to Rs.104.00 Million for the year ended 31st March, 2015.

Manappuram Home Finance Private Limited

Gross Income of the Company as at 31st March, 2016 is Rs. 98.6 Million as compared to Rs. 9.4 Million for the year ended 31st March, 2015 and net loss is Rs.53.8 Million for the year ended 31st March, 2016 as compared to the net loss of Rs.0.59 Million as at 31st March, 2015.

Manappuram Insurance Brokers Private Limited

Gross Income of the Company as at 31st March, 2016 is Rs. 18.98 Million as compared to Rs. 10.72 Million as for the year ended 31st March, 2015 and Profit after Tax for the year ended 31st March, 2016 is Rs.1.36 Million as compared to the net loss of Rs. 7.22 Million as at 31st March, 2015

Performance and financial position of subsidiary is annexed herewith as Annexure –VII(a) (AOC-1) and Information about subsidiary/ joint venture /associate company is annexed herewith as Annexure – VII(b).

34. CONSOLIDATE FINANCIAL STATEMENTS

In accordance with the Companies Act, 2013 ("the Act"), SEBI (LODR) Regulations, 2015 and Accounting Standard (AS) – 21 on Consolidated Financial Statements read with AS – 23 on Accounting for Investments in Associates

and AS – 27 on Financial Reporting of Interests in Joint Ventures, the audited consolidated financial statement is provided in the Annual Report.

35. CREDIT RATING

The Company holds valid rating from Brickwork, CRISIL, ICRA and CARE for Non-Convertible Debentures, Loan Short Term and Long Term Bank Facility and Short Term Debts as follows:

- a. CRISIL rated Bank Loan Facility of Rs. 2,500 Million as CRISIL A+/ Stable
- b. CRISIL rated Non-Convertible Debenture of Rs. 16,325 Million as CRISIL A+/ Stable
- c. CRISIL rated Short Term Debt of Rs. 15,000 Million as CRISIL A1+Stable
- d. ICRA rated Non-Convertible Debentures of Rs. 4230 Million as [ICRA]A+(Stable)
- e. ICRA rated Bank Loan Short Term of Rs. 15,240 Million as [ICRA]A1+
- f. ICRA rated Short term fund based bank facilities of Rs. 5000 Million as [ICRA]A1+
- g. CARE rated Bank Loan Facility for Long Term of Rs. 36,770 Million as CARE AA-Stable
- h. CARE rated Bank Loan Facility for Short Term of Rs. 23,230 Million as CARE A1+Stable
- i. CARE rated Non-Convertible Debentures of Rs. 3,000 Million as CARE AA-Stable
- j. Brickwork rated Non-Convertible debentures for Rs. 2500 Millions as BWRA+ to BWR AA-

36. DETAILS OF AUCTIONS HELD DURING THE YEAR 2015-16

Additional disclosures as required by circular No. DNBS.CC.PD.No.356/03.10.01/2013-2014 dated September 16, 2013 issued by the Reserve Bank of India:

(Amount in ₹ millions)

Year	Number of Loan Accounts	Principal Amount outstanding at the dates of auctions (A)	Interest Amount outstanding at the dates of auctions (B)	Total (A+B)	Value fetched
31-Mar-16	7,02,038	19,319.03	4,890.18	24,209.21	22,094.92
31-Mar-15	347,845	11,887.34	4,117.00	16,004.34	13,544.98

Note: No sister concerns participated in the auctions during the year ended March 31, 2016 and March 31, 2015

37. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURE

Particulars of Employees and Related Disclosure is annexed herewith as Annexure VIII as per Section 197 (12) of the Companies Act, 2013.

38. AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

A certificate from Statutory Auditor in compliance with the conditions of corporate governance by the Company, for the year ended on March 31, 2016 as stipulated in Part E of Schedule V of SEBI (LODR) Regulations, 2015 is annexed as Annexure - IX

39. GENERAL

- (a) Details relating to deposit
The Company has not accepted any deposit during the financial year 2015-16.
- (b) Significant & Material orders passed by the regulators
There were no such significant / material orders passed by the Regulators during the financial year 2015-16 except the SEBI Settlement Order No. EAD-5/SVKM/04/2015-16 dated September 23, 2015 on the Application No. 2914 of 2015 submitted by the Company in terms of SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014. The application was made with SEBI to settle, through settlement order, the adjudication proceedings for the non-compliance of Part A of Schedule I read with regulation

12(1) of SEBI (Prohibition of Insider Trading) Regulations, 1992. The settlement order disposed of aforesaid adjudication proceedings initiated against the Company vide Show Cause Notice No. EAD -05/ADJ/ASK/SPV/OW/23151/2014 dated August 06, 2014.

- c) List of employees who were in the receipt of remuneration for the year exceeding the limit prescribed under Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is attached here with as Annexure-X.

40. ACKNOWLEDGEMENT

Your Directors acknowledge and place on record its sincere appreciation and gratitude to the employees of the company at all levels for their dedicated service and commitments, to the Reserve Bank of India, Rating Agencies, Stock Exchanges, Governments and its statutory agencies for the support, guidance and co-operation, to the Investors, shareholders, Debenture holders, Bankers and other financial institutions and customers and other stakeholders for the whole hearted support and confidence reposed on the company and the management and to the general public at large for their blessings and good wishes the company has been receiving in good measure over the year.

**For and on behalf of the Board of directors of
Manappuram Finance Limited**

Sd/-

Jagdish Capoor

Chairman

Place: Valapad
Date: May 12, 2016

Annexure I

MANAPPURAM FINANCE LTD., **Policy on Board composition and Compensation.** **(As amended by the board on August 14, 2015)**

We, at Manappuram, believes that the corner stone of best governance practices is the board composition. We also believe that the synergy of versatile individuals with diversified skillsets at the board level has contributed a lot in bringing this company into its present heights. Therefore, our commitment to have a competent and highly professional team of board members leads us to put in place a policy on identification and retention of eminent personalities as our Board members. In line with the statutory requirement under sections 149 and 178 of the Companies Act, 2013 read with clause 49 of the Listing agreement with the stock exchanges and the regulatory framework for Non-Banking Financial Companies (NBFCs) issued by Reserve Bank of India (RBI) the following policies are adopted for the time being to act as the guiding principles in the appointment of directors and the matters connected therewith.

I) Definitions

Unless the context otherwise requires, the following words and expressions shall have the meaning provided herein

- i. **Act** - means the Companies Act, 2013 including any amendments and reenactments as the case may be from time to time
- ii. **Board**- means the collective body of directors of the Company
- iii. **Clause 49**- means the clause 49 of the listing agreement with stock exchanges relating to the guidelines on Corporate Governance.
- iv. **Committee**- means the committees of directors constituted by the Board
- v. **Director**- means a director appointed on the board of the company
- vi. **Fit and proper**- means the fit and proper criteria prescribed the Reserve Bank of India as an eligibility requirement to be satisfied by an individual to be appointed as a director of the company.
- vii. **Independent director**- means an independent director referred to in sub-section (5) of section 149 of the Companies Act, 2013 or referred to in sub clause (B) of clause 49 (II) of the listing agreement.
- viii. **Nomination Committee**- means the Nomination Compensation and Corporate Governance Committee of the Board.

II) Policy statements

1. Board Diversity

- 1.1 The board of directors of the company should have a fair combination of executive and non-executive directors with not less than 50 percent being non- executive directors.
- 1.2 The company shall maintain the strength of independent directors on its board keeping in mind the regulatory requirements and guide lines on Corporate Governance as per the listing agreement with the stock exchanges issued from time to time. The ratio of independent directors as per the present requirement is one third of the total strength of the board where the board is headed by a non- executive chairman and at least half of the board's strength in case the board is not headed by a regular non-executive chairman.
- 1.3 The Board shall have at least one woman director.
- 1.4 The independent director to be appointed on the board shall not hold directorships in more than 7 listed companies.
- 1.5 The vacancy caused by the demitting of office by an independent director in any manner shall be filled within a period of 3months or before the next board meeting whichever is earlier. However, this

requirement will not be applicable in cases where the vacancy will not affect the minimum required strength of independent directors set under this policy or as per the statutory provisions/ regulatory requirements.

- 1.6 The company shall appoint directors keeping in mind an ideal diversity in knowledge or expertise that could add value to the overall performance of the board and of the company. The desired diversity may be fixed by the nomination committee based on the nature of business of the company from time to time. The diversity of the total board may include the following;

Expertise in;

- i. Banking, Finance, Accountancy, Taxation
- ii. Governance, Regulatory background, Law and practice
- iii. Management, Administration (including Civil Service)
- iv. Engineering, Human resource, Subject of social relevance
- v. IT, Marketing

- 1.7 On selection of an independent director, the Chairman of the Board/ Managing Director shall issue a letter of appointment to the director and he shall also sign a deed of covenants in such format as may be prescribed by RBI.

2. Familiarization & Skill enhancement program for directors

- 2.1 The Board may on the recommendation of the nomination committee devise a familiarization program for directors so as to give a fair understanding about the company, its business and the general industry environment in which the company and its subsidiaries are operating. This may be arranged by way of interactive sessions with Chairman of the Board, senior directors, Managing Director and other Key management personnel of the company. In addition, board may put in place an induction manual for directors as it may deem fit.
- 2.2 A newly appointed non- executive directors may be given the opportunity to familiarize with the company.
- 2.3 In addition to the familiarization program, the board may, if it thinks so, organize director's skill refreshment programs or workshop on topics relevant to the directors/company or nominate to programs organized by industry associations or professional bodies.

3. Assessment of independence & Fit and proper criteria.

- 3.1 While considering the appointment of an independent director, the nomination committee and the board shall ensure that the incumbent satisfies the test of independence as provided under the Companies Act and clause 49 of the listing agreement. The board shall on a continuous basis ensure that the independent directors continue to maintain their independence during their tenure on the board.
- 3.2 To achieve the above objectives, the board may obtain proper declarations from the appointee/ directors at the time of appointment and at such intervals as the board may deem fit.
- 3.3 In case of appointment of executive directors, non-executive directors or independent directors, the nomination committee and the board shall ensure that they meet the fit and proper criteria prescribed by the Reserve Bank of India from time to time and maintains the position during their tenure in office. The company shall obtain the declarations in the manner prescribed by RBI as applicable to the company from time to time from all appointees and review the same.

4. Age and tenure of independent and non-executive directors.

- 4.1 The independent directors appointed in the company will have a tenure of 5 years. They can be re-appointed for another term of 5 years in compliance with the applicable provisions of the Companies Act,
- 4.2. The company shall select persons normally with the maximum age of 75 years and the minimum age as prescribed by the provisions of Companies Act, 2013, listing agreements and direction/guideline from RBI from time to time, for new appointments to the position of independent directors and non-executive directors.

5. Review of performance of independent directors

- 5.1 The nomination committee and the board shall put in place a mechanism for the review of performance of each independent director and other non-executive directors.
- 5.2 The review of performance shall be undertaken once in a financial year preferably before the next Annual General Meeting.
- 5.3 Based on the review of performance, the board may recommend for the continuance, re- appointment or removal of directors.

6. Compensation of Executive and Non- executive directors.

- 6.1 On the recommendation of the Nomination Committee, the board will fix the remuneration of non-executive directors (including independent directors)
- 6.2 The non- executive directors other than nominee directors shall be entitled for sitting fees for attending board/ committee meetings at such rate as may be approved by the board from time to time.
- 6.3 In addition to the sitting fees, the company will bear or reimburse the normal travelling, boarding and lodging expenses of directors incurred for the purpose of attending board/ committee meetings or for attending any other duties on behalf of the company.
- 6.4 Subject to the compliance with the provisions of Companies Act, 2013, the board may on the recommendation of the nomination committee after taking into account the profitability of the company for each financial year approve the payment of an annual commission payable to each non-executive (other than nominee directors) / independent directors of the company for each financial year or part thereof.
- 6.5 Where a director has left the company before the completion of a financial year or before approving the payment of commission by the board, the board may in its absolute discretion sanction such amount as commission to such director for his services during the period for which the commission was fixed.
- 6.6 Remuneration of executive directors shall be fixed by the Board on the basis of recommendation of the nomination committee. The remuneration of the executive directors shall be a combination of fixed monthly salary in terms of their appointment as approved by the board/ shareholders and a performance based annual commission to be decided by the board on the recommendation of the nomination committee.
- 6.7 The performance parameters to be applicable to the executive directors, the minimum and maximum amount of commission payable in line with the achievement of various targets/ parameters will be decided by the nomination committee from time to time.

7. Succession planning for appointment to board and senior management positions.

- 7.1 The board may identify suitable persons to be appointed to the board positions for filling up vacancies.
- 7.2 The vacancies caused by the exit of an independent director may be filled by the appointment of

an independent director. However, if the vacancy does not affect the strength of minimum required independent directors, the board may fill the vacancy as it may deem fit.

- 7.3 Suitable candidates may be identified by the directors from reputable references or from data banks maintained by industry associations, professional bodies or non-governmental organizations or by inviting applications through any media.
- 7.4 Vacancies in senior positions in the company may be filled by a system of promotion of existing employees based on appropriate screening procedures set by the nomination committee from time to time.
- 7.5 Company may identify critical positions and shall devise a system of proper mentoring to identify officers of the company to take up the senior positions wherever a vacancy is caused to ensure the business continuity in the best interest of the company.

8. Compensation plan for Key Management personnel (KMPS) and other senior management team members

- 8.1 The compensation structure of KMPs and senior team members shall consist of fixed salary components (including variable dearness allowances) at par with the industrial standards and a performance linked incentive/ bonus payment to be approved by the nomination committee.
- 8.2 The compensations structure shall be devised in a manner that will help the company to attract and retain top talents to run the company efficiently with a long term perspective.
- 8.3 The compensation structure may also include stock options targeting employee participation in ownership of the company and to ensure the retention of potential talents for the future growth and diversity of the company.

III) Applicability of Laws/ regulations/ guidelines

Change in underlying laws/ regulations or guidelines may supersede the provisions of this policy. At any time if there is any amendment to the applicable laws or regulations or guidelines affecting the provisions of this policy, the policy shall be deemed as amended to the extend applicable and the amended provisions will take effect from the date of Change in the underlying laws/ regulations or guidelines.

IV) Applicability of the policy

The policy shall become effective from the date on which it is approved by the board.

V) Amendment to the policy.

The provisions of this policy may be amended by the board at any time on the recommendation of the nomination committee.

Annexure II

Particulars of Loans, Guarantees or Investment

Nature of transaction (whether loan/guarantee/security/acquisition)	Date of making loan / acquisition / giving guarantee / providing security	Name and address of the person or body corporate to whom it is made or given or whose securities have been acquired (Listed/Unlisted entities)	Amount of loan / security / acquisition / guarantee	Time period for which it is made / given	Purpose of loan / acquisition / security	% of loan / acquisition / exposure on guarantee / security provided to the paid up capital, free reserves and securities premium account and % of free reserves and securities premium	Date of passing Board resolution	Date of passing special resolution, if required	For loans interest rate	Date of Maturity	For acquisitions Number and kind of securities	Nominal value and paid up value	Cost of acquisition (in case of securities how the purchased price was arrived at)	Date of selling of investment	Selling price (how the price was arrived at)
Acquisition	01.01.2016	Manappuram Insurance Brokers Private Limited	15,500,000.00		Diversification of business	100%	14.05.2015	-	-		770,000.00 Equity Shares	7,700,000.00	15,500,000.00	-	-
Acquisition	22.01.2016	Manappuram Home Finance Private Limited	250,000,000.00		Right issue	100%	03.02.2015	-	-		25,000,000.00 Equity Shares	250,000,000.00	250,000,000.00	-	-
Acquisition	03.03.2016	Asrivad Micro Finance Private Limited	999,999,915.60	-	Right issue	39.64% of increased equity capital	02.03.2016	-	-		10,351,966.00 Equity Shares	103,519,660.00	999,999,915.60	-	-
Acquisition	31.03.2016	Manappuram Home Finance Private Limited	300,000,000.00	-	Right issue	100.00%	05.11.2015	-	-		30,000,000.00 Equity Shares	300,000,000.00	300,000,000.00	-	-

Annexure III

FORM NO. AOC.2

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

1. Details of contracts or arrangements or transactions not at arm's length basis: Manappuram Finance Limited (the Company) has not entered into any contract/arrangement/transaction with their related party which is not in ordinary course of business or at arm's length during FY 2015-16. The Company has laid down policies and processes/procedures so as to ensure compliance to the subject section in the Companies Act, 2013 ("Act") and the corresponding Rules. In addition, the process goes through internal and external checking, followed by quarterly reporting to the Audit Committee.
 - (a) Name(s) of the related party and nature of relationship: Not Applicable
 - (b) Nature of contracts/arrangements/transactions: Not Applicable
 - (c) Duration of the contracts/arrangements/transactions: Not Applicable
 - (d) Salient terms of the contracts or arrangements or transactions including the value, if any: Not Applicable
 - (e) Justification for entering into such contracts or arrangements or transactions: Not Applicable
 - (f) Date of approval by the Board: Not Applicable
 - (g) Amount paid as advances, if any: Not Applicable
 - (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: Not Applicable
2. Details of material contracts or arrangement or transactions at arm's length basis
 - (a) Name(s) of the related party and nature of relationship: Not Applicable
 - (b) Nature of contracts/arrangements/transactions: Not Applicable
 - (c) Duration of the contracts/arrangements/transactions: Not Applicable
 - (d) Salient terms of the contracts or arrangements or transactions including the value, if any: Not Applicable
 - (e) Date(s) of approval by the Board, if any: Not Applicable
 - (f) Amount paid as advances, if any: Not Applicable

On behalf of the board of directors
Sd/-

Place: Valapad
Date: May 12, 2016

Jagdish Capoor
Chairman

Annexure IV

CSR ACTIVITIES

A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web- link to the CSR policy and projects or programs.

1. Brief Outline of CSR Policy of the Company

The CSR policy of the company seeks to build on the social relevance of its core business area of gold loans, which has promoted inclusive growth by enabling the common man to meet his credit requirements with ease.

The major activities for CSR spend are as follows: -

- Promotion of Healthcare
- Old Age Home/ Day Care facilities for senior citizen
- Promotion of Education
- Empowerment of women

The CSR policy further states that the company may take up projects, programmes or activities pertaining to environmental sustainability, ecological balance, protection of national heritage, measures for the benefit of veterans of the armed forces, training, promotion of rural sports, contributions to technology incubators, rural development projects and contributions to Prime Minister's National Relief Fund etc.

In line with the above CSR policy, major CSR programmes now being undertaken by Manappuram Foundation (A Trust formed by the company under the Trust Act) under various focus areas are as follows: -

I) Promotion of Health Care

i. Janaraksha Manappuram Free Health Insurance Scheme

Manappuram Foundation has been involved in delivery of health insurance programme in the coastal belt for the last 6 years. "Janaraksha Manappuram Free Health Insurance Scheme" thus became the major initiative, which started by providing free health insurance to the BPL category in the coastal belt of Thrissur District. It covered almost one lakh people (about 20,000 BPL families) in the seven Panchayats near the Corporate Office of the Company. These Panchayats are Edathiruthy, Engandiyur, Kaipamangalam, Nattika, Vatanappally, Valapad and Thalikulam.

The scheme was re-launched with a face lift during August, 2015. The insured family now gets a maximum coverage of Rs. 30,000/- for illnesses involving hospital treatment. The policy also covers one maternity benefit, funeral expenses benefits to be provided for Rs 2500/- in case of death of insured person.

In addition to the above, a rider insurance cover on dwelling (Pucca and kutchha houses) with maximum limit of Rs.30000/- and loss of wages up to Rs 7000/- per annum is also available under the scheme.

There is also a personal accident death rider cover applicable to the earning head of the family for Rs. 25000/- per year per family with scholarship benefit of additional Rs 25000/- shared with maximum 2 dependent children. According to the feedback and social audit study conducted this has been a source of great relief to the poor in Manappuram coastal belt. It is estimated that during the last five years- total benefits in excess of Rs 12 crores have been disbursed to the beneficiaries

Further under this project the Foundation has also set up Counseling Centers in each of these seven Panchayats. Individual counsellors are appointed for each of the seven Panchayats. They are professionally qualified and hold post-graduate degrees in social and psychiatric social work.

They serve as help-desks and accessible contact points to assist beneficiaries in contacting doctors and hospitals, filing and follow-up of reimbursement claims etc, thus ensure vigorous and effective

implementation considering the problems of the poorly educated would face especially in filling up forms, filing and following up claims for reimbursements etc. The active involvement and co-operation of the local government representatives and Kudumbasree members in these communities has contributed greatly to the success of the scheme. During the year from August 2015, 305 claims were processed and Rs.18, 12,666 were distributed.

The Foundation has also set up a fully equipped model counselling centre with specialized services of Physiologist at Valapad, Thrissur.

Amount Disbursed till March 2016	Rs.18,12,666/-
Amount of Premium for renewing Insurance Policy	Rs.48,56,630/-
Other Overhead Expenses (Salary and other benefits to Counsellors)	Rs.21,87,857/-

ii) Counselling Centres and the model psychotherapy Centre

The six counselling centres functioning in the manappuram coastal belt at Edathiruthy, Engandiyur, Kaipamangalam, Nattika, Vatanappally and Thalikulam panchayaths alongside the model counselling and psychotherapy centre at Valapad aims to uplift the comprehensive health of the people. These centres provide services like Family counselling, School counselling, adolescent counselling and addiction counselling given by experts in the field of psychiatry and psychology. Specialist services of a clinical psychologist is also available at the model counselling and psychotherapy Centre.

872 clinical sessions were handled by counsellors in these centres.

iii) Manappuram Janaraksha Sowjanya Arogya Suraksha Padhathi

The Scheme provides for reimbursement of 50% of the cost paid for laboratory/clinical tests, x-rays, scanning, etc. from reputed Labs and Clinics to Janaraksha Manappuram Insurance Cardholders. Other BPL families are reimbursed at 50 % subject to a maximum of Rs.2, 000/- per person per annum for both categories. In addition, these families are eligible for a discount of 20 percent on medicines purchased from approved pharmacies. A large number of people in the coastal area have benefited from the scheme. Besides, regular medical camps are held in these Panchayats and also other centers for the purpose of screening for various diseases. The programme has helped the local population gain access to free medical checkups at regular intervals. About 947 families have benefited from this project and it involved expenditure of Rs 6, 36,385 /- against subsidies for lab test and medicines etc.

Besides an amount of Rs 82,87,172/- has been spent during 2015-2016 on medical camps. Twenty-Nine (29) medical camps were conducted by providing medical tests and consultation to 11730 beneficiaries

iv) Specialized Counseling Centers at Thrissur

The Thrissur Centre provides specialized counseling services by experts and qualified counsellors to needy individuals. It also conducts pre & post marital counselling, medical camps as well as training for income generating programmes. The Center has conducted 16 group counseling and 37 prison counseling sessions at Viyur central jail for women inmates. 1142 families have benefited from the group counseling pre and post marital counseling etc conducted at Thrissur Center involving an expenditure of Rs 838952/-

The Centre also extends training in income generating skills to the inmates of Women's Prison at Viyyur. For this purpose, the Foundation has donated six sewing machines. A Trainer specialized in tailoring has also been arranged by the Foundation for imparting requisite training.

v) Dialysis Treatment

With the number of kidney patients increasing day by day and considering the prohibitive cost of dialysis treatment, Manappuram Foundation has donated two dialysis machines to the Perungottukara Association,

Perungottukara, Thrissur which provides free dialysis treatment to needy people in the area. Further, from December 2014 onwards a regular monthly contribution of Rs.1 lakh also is being made to the Association to meet its operating expenses. During the year 2015-16 approximately 1442 patients have been given free dialysis treatment by the Association. During the year an amount of Rs 12, 00,000/- was donated to the Association. One new dialysis machine costing Rs 672803/- has been additionally donated to meet the overflowing patient requirements

Likewise, Santhi Medical Information Centre (Guruvayur), headed by a well known social worker, Ms. Uma Preman, provides free dialysis treatment to needy people. Manappuram Foundation contributes Rs. 25,000/- every month to the Centre, Accordingly the total amount donated for the above scheme is Rs 3,00,000/-

Palliative Care Clinic

Palliative Care is another focus area for the Foundation where it has rendered substantial financial assistance. Alpha Pain and Palliative Care clinic, Edamuttam, is renowned for its exemplary services to patients in need of palliative care. Manappuram Foundation makes a monthly contribution of Rs.1 lakh to the Clinic to help meet their operating expense. Substantial lump sum financial assistance has also been given for specific projects undertaken by the Clinic. The total amount of assistance extended during the year 2015-16 to the clinic is Rs 12,00,000./- An additional amount of Rs 1,00,000/- has been provided for other project such as marriage of poor women etc.,

Alpha Palliative Care Thrissur Trust

During the year, the Foundation has embarked into a new venture of creating a new trust under the name Alpha Palliative Care Thrissur Trust and has contributed an amount of Rs 10, 00,000/- towards the Corpus Fund of the new trust. The Trust is made to provide palliative, and hospice care (care for terminally ill)

ICU Ambulance service

A 24*7 ICU ambulance service for the health care service of people living in the coastal area has been introduced from July 2015 at subsidized rates. Emergency number – 9349220220 is popular among the coastal community to depend for emergency health needs, During the year an amount of Rs 25,68,256/- has been spent on this initiative. Almost 100 lives were saved and accident trips were taken free of cost especially in the coastal belt of Thrissur, Kerala.

II) Old age Homes / Day Care Facilities for Senior Citizens

Day Care Centre (Pakalveedu):

A Day Care Centre for senior citizens has been established at Thalikulam, Thrissur District, in association with Thalikulam Vikas Trust. The Centre is open during daytimes for senior citizens of the locality to come and spend their time productively and enjoyably. The Centre provides food, health check-up, medicines and recreational facilities to the inmates free of cost. At present there are about 30 -35 beneficiaries who are regularly availing the benefits at the "Pakal Veedu".

The Centre employs Medical Officers, one care taker, two care providers, two cooks and one helper to look after the inmates who are present during the day time. Currently, the monthly recurring expenditure is approximately Rs.100000/- which is fully funded by the Foundation. The total expenditure on this account during the last FY 2015-16 amounted to Rs. 12,74,843/-.

Another Pakalveedu has also been setup at Palakkad that presently have 13 -inmates and is open during daytimes for senior citizens of the locality. The amount spent for this particular unit is Rs 12,44,614/- In total an amount of Rs 25,19,457/- has been spent on both these initiatives.

III) Promotion of Education

In line with the CSR policy, Education is an area where several initiatives have been taken by Foundation as described below:

1. Manappuram Academy of Professional Education (MAPE)

The Foundation set up in the year 2013 an Academy named "Manappuram Academy of Professional Education" (MAPE) to offer educational coaching for professional courses like CA/CS/ ICWA particularly to students from the financially and socially backward community.

This was done because the representation of this community among this profession is presently negligible. During the last three years of its functioning, a total number of 245 students have attended the coaching for the above courses at subsidized rates. The pass percentage in the CA exam has always been well above the national average. Out of 25 Students appeared for CPT in the year 2015-2016, 12 students have passed representing 48 % against the national average of 34 %. Out of 12 Students appeared for IPCC in the year 2015-2016, 4 students have passed representing 33.33 % against the national average of 12.7%.

2. Manappuram Academy for Entrance Education (MAEC)

Another initiative taken up under education is setting up of Manappuram Academy for Entrance Education (MAEC) in the year 2015 to provide professional coaching for Medical/Engineering entrance examination to bright students hailing from the weaker sections of the society. The high tech educational Institute has imparted coaching to 176 students and the amount spent on this initiative during the year is Rs.164,93,793/-. The new initiative of starting one more unit with the same facilities has been taken up at Palakkad and is being completed to accommodate students of weaker sections. The amount spent during the year for this initiative is Rs.75, 41,620/-.

3. Manappuram Academy of Computer Education (MACE)

Manappuram Academy of Computer Education, the latest unit addition of Manappuram Foundation, has been established to accomplish the need of IT personnel in the industry.

The Academy ensures 100% placement oriented training that will help the students to make up a bright career ahead. This being a new initiative, an amount of Rs 73,33,651/- lakhs was spent during the year 2015-16 and 55 students attended various courses

4. MAgeeth Montessori Pre-School and Crèche

Manappuram Foundation is committed to offer quality education to the underprivileged society in the Manappuram coastal belt. In line with this objective, MAgeeth Montessori Pre-School and Crèche has been established in the year 2016 with the best facilities on offer at subsidized rates. The amount spent on this initiative during the year is Rs.26, 95,751/-. Twenty (20) Children has been enrolled as on March 2016

5- English for self confidence

Under this programme, free coaching classes are conducted for the benefit of school students in the coastal areas in order to improve their communication skills in English.

The expenditure incurred on the project was Rs 3, 34,500/- and 30 students were benefited.

6. Empowerment of generation next through education

In this programme, scholarships are given to 10 students from BPL families at SNS Samajam Vidya Mandir, Edamuttam. All their expenses on education including tuition fee, books etc. is met by the Foundation which makes direct payment to the school. An amount of Rs 120950/- has been paid in 2015-16

7. S.N.College, Nattika

The Foundation is contributing an amount of `Rs 25 lakhs to S N College, Nattika, for construction of their new library building. Payment will be released in stages based on the progress of construction work of the building. The amount released as of March 2015 is Rs ` 5,00,000/- and the amount total released in the Year 2015-16 is Rs 15,00,000/-

Empowerment of Women

“Sarojini Padmanabhan Women Empowerment Programme” – Ma Mahima:

Manappuram Foundation has also set up under its venture “Sarojini Padmanabhan Women Empowerment Scheme” a Centre called “Ma Mahima” at Palakkad and Thrissur Districts in Kerala for imparting free vocational training in income generating skills to needy, underprivileged women to make them financially independent.

The centers are headed by well known social workers and are equipped to provide free training to women in vocations such as tailoring etc. The objective is to enable them to stand on their own feet through income generating skills. Quite a number of trainees who have completed their training here are now engaged in these vocations and are earning their own livelihood. The amount spent on this initiative at the three centers was Rs 11, 39,697/- as of March 31, 2016

Other Initiatives

1. Ecology and environmental sustainability

In the area of ecology and environmental sustainability, the Foundation has instituted a Chair titled “V C Padmanabhan Chair for Ecology and Environmental Conservation”, under a leading environmentalist Dr. V.S. Vijayan, at the Salim Ali Foundation, Thrissur. As part of this project, a holistic, eco-friendly and sustainable development project is now in the process of implementation in Vellangallur Panchayat in Thrissur District. The amount spent under this project during 2015-16 at the rate of Rs 1.25,000/- per month. is Rs 15,00,000/- for the year.

2. Talent Nurturing Program

Manappuram Foundation conducts a yearlong personality development training camp for students in and around Valapad. The whole objective of this initiative is to make the children suitable for the competing world by developing the life skills through activities and games.

The sessions are organized on the first and third Saturdays of each month and the classes are handled by the experts in the field. The programme was inaugurated on 2015 August with the session of Manu Jose, Director of We and You Performing Company. A total of 73 students were enrolled for the programme. The amount spent during the year 2015-16 is Rs 185926/- The camp was from October to February 2016.

A summer camp has also been initiated for the students of various schools where 120 students of various schools took part and the cost during the year was Rs 979445/- .

3. Projects in association with Lions Clubs

Manappuram Foundation as an equal partner with Lions Club International District 318D by means of 50% contribution to 4 key service projects.

- 1) Student Safety Insurance programme proposing to cover 1,00,000 students of government schools of Thrissur, Palakkad and Malapuram Districts. An amount of Rs 743036/-has been spent in 2015-16

The number of schools benefited was 150 and 39298 students benefited in the district of Malappuram, Palakkad and Thrissur

- 2) Sanitary Napkin Vending Machine & Incinerator programme that aims to create Girl Friendly toilets in government schools and public places of Thrissur, Palakkad and Mallapuram Districts- Thirty three (33) schools have been provided with vending machine and four (4)schools were provided with Incinerator).An amount of Rs 273420/-has been spent in 2015-16 on this initiative
- 3) Ma Mithram/ Lions Quest skill for Adolescence programme , a" TOT" programme done for Government school teachers of Thrissur, Palakkad and Mallapuram Districts –The programme aims to improve life skills of adolescence. There were nine (9) lions quest programme conducted benefiting 43 schools . As a part of training and follow-up programmes two hundred and forty three (243) teachers were benefited. An amount of Rs 100270/-/-has been spent in 2015-16.
- 4) Vidyanidhi Project –Walayar- This programme is to maintain the livelihood and education support of HIV/AIDS affected and infected students at Palakkad . An amount of Rs.53220/- has spent in the year 15-16 and benefited 53 affected /infected students.

4. Punarjani Project-

'Punarjani Centre of Excellence' a palliative care center is being materialized in Kiraloor Thrissur.

Lions Eye Hospital Trust has donated the infrastructure to set up the Center.

Manappuram Foundation, has proposed to render financial support primarily for meeting the operational expense of the project.

Project punarjani (meaning re-birth) that aims to provide palliative care and thus improve the quality of life of the deprived in our community. The project offers multispecialty intervention, counselling and rehabilitation opportunities. Once completed it aims to provide free of cost treatment, transportation and medical care to all the less fortunate people suffering from various types of illnesses like cancer, partial paralysis etc. The help rendered is not only for the patients but their other dear ones thus will adopt a totally community based holistic approach.

The amount spent under this project is Rs 2757979/- in the year 2015-16 for infrastructure face lift.

5. GYM & Yoga Centre

Manappuram Foundation is managing "Manappuram Fitness & Yoga Centre" located on the ground floor of the Corporate Office building at Valapad. It is aimed to improve the health and well being of the people in the Manappuram coastal belt with service offered at marginal cost.

The Centre both Yoga and Fitness started functioning from January 26, 2016. The total operational expenditure incurred during the year 2015-2016 is Rs.3,05,129/-.

6. CSR Activity Other Regions

There were many activities done as part of CSR contributions in other region, to mention a few Installing of R.O plant on Thippanapally village, in Kalya Durgam town & Siddaramapuram at Anathapur. The expenditure incurred for all the CSR activities done at other regions amount to Rs. 8, 75,721/-Manappuram Foundation distributed artificial limbs and appliances to 200 physically challenged and economically poor people in Hyderabad region.

7. Bala Sahaya Samithy

Support for education provided through Chaithanya special school for the mentally challenged children. The amount spent under this project is Rs. 36000/- for the year.

2. The Composition of CSR Committee

Composition of the committee:

Name of the Member	Position	Category of Directors
Mr. Rajiven.V.R	Chairman	Independent, Non-Executive
Mr.V.P.Nandakumar	Member	Non-Independent, Executive
Adv.V.R.Ramachandran	Member	Independent, Non-Executive
Dr.Amla Samanta	Member	Independent, Non-Executive

3. Average Net Profit of the Company for Last three year

(Rs. in Million)

	March 31, 2013	March 31, 2014	Mach 31, 2015	Average Net Profit
Profit before Tax	3,063.03	3,425.58	4124.28	3537.63

4. Prescribed CSR Expenditure

(Rs. in Million)

2% of the Average Net Profit of Rs.3537.63 = Rs.70.75

5. Details of CSR spent during the financial year:

- Total amount to be spent for the financial year: Rs.125.39 Million (includes brought forward unspent amount of Rs.54.64 Million for the financial year 2014-15)
- Amount unspent, if any: Rs.31.53 Million
- Manner in which the amount spent during the financial year is detailed below

Sl. No.	CSR Project or Activity Identified	Sector in which the project is covered	Project or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) Project or programs wise (Amount in Million)	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or program. (2) Overheads (Amount in Millions)	Cumulative expenditure up to the reporting period (Amount in Millions)	Amount spent: Direct or through implementing agency
1(a)	Eradicating Hunger, Poverty and Malnutrition, promoting preventive healthcare and sanitation and making available safe drinking water	Preventive Health Care	Janaraksha Manappuram Sowjanya Arogya Insurance scheme-Local Area-Thrissur District Kerala State	11.54	12.37 (2) Overheads = 1.50	13.87	Amount spent by Implementing Agency Manappuram Foundation

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

Sl. No.	CSR Project or Activity Identified	Sector in which the project is covered	Project or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) Project or programs wise (Amount in Million)	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or program. (2) Overheads (Amount in Millions)	Cumulative expenditure up to the reporting period (Amount in Millions)	Amount spent: Direct or through implementing agency
1(b)		Preventive Health Care	Manappuram Janaraksha Sowjanya Arogya Suraksha Padhathi- Thrissur District Kerala State	3.08	0.636 (2) Overheads=.08	0.716	Amount spent by Implementing Agency Manappuram Foundation
1(c)		Preventive Health Care	Medical Camps - Thrissur District Kerala State	16.05	8.412 (2) Overheads = 1.46	10.708	Amount spent by Implementing Agency Manappuram Foundation
1(d)		Preventive Health Care	In Local Area for two Dialysis Machines and free dialysis which is a joint project of Manappuram Foundation and Peringottukara Association Thrissur dist Kerala State	1.2	1.872	1.872	Amount spent by MAFIL directly Rs .796million Through Peringottukara Dialysis Centre Thrissur
1(e)		Preventive Health Care, eradicating poverty	Preventive Health Care,eradicating poverty Palliative Care Edamuttom Thrissur dist-Kerala State	1.2	1.2	1.2	Through Alpha Pain clinic and Palliative Care Clinic
1(f)		Preventive Health care	Thirssur Local area Kerala State	0.3	0.3	0.3	Shanti Medical Information Centre Guruvayur
1(g)		Preventive health care	Own local area within Station Valapad, Thrissur- Free Ambulance service	2.141	2.576 (2) Overheads = .32	2.896	Amount spent by Implementing Agency Manappuram Foundation
1(h)		Preventive Health Care	Alha palliative Corpus fund	1.12	1.00 (2) Overheads = .12	1.12	Amount spent by Implementing Agency Manappuram Foundation
1(i)		Preventive Health care	Other Areas At Andhra Pradesh, Ananthapur / Hyderabad RO plants and Bench and Desk India where our Branches are located	10.11	0.876 (2) Overheads=.11	0.986	Amount spent by Implementing Agency Manappuram Foundation
1(j)		Preventive Health care	At valapad local Area Gym and Yoga Fitness center	0.371	0.331	0.371	Amount spent By Implementing agency Manappuram Foundation

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

Sl. No.	CSR Project or Activity Identified	Sector in which the project is covered	Project or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) Project or programs wise (Amount in Million)	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or program. (2) Overheads (Amount in Millions)	Cumulative expenditure up to the reporting period (Amount in Millions)	Amount spent: Direct or through implementing agency
1(k)	-do-	Preventive Health care	At local area	0.107	0.097 (2) Overheads = .01	0.107	Amount spent by Implementing Agency Manappuram Foundation and lions club
1(l)	-do-	Preventive Health Care, eradicating poverty	At local area	0.33	0.29 (2) Overheads = .04	0.33	Amount spent by Implementing Agency Manappuram Foundation and lions club
1(m)	-do-	Preventive Health Care and Eradicating Poverty	At local area for Oruma Charitable trust		0.5	0.5	Amount paid By MAFIL Directly
2(a)	Promoting Education, including Special education, and employment enhancing vocation skills especially among children, women, elderly and differently abled and lively hood enhancement projects	Employment enhancing vocational skills especially among children, women, elderly and differently abled and lively hood enhancement projects	At Local area Manappuram Foundation Thrissur centre-Thrissur District kerala state	0.955	0.839 (2) Overheads = .10	0.939	Amount spent by Implementing Agency Manappuram Foundation
2(b)		Promoting Education	Local area Triprayar and Valapad, For Manappuram Academy of Professional Education, Entrance coaching and English for self confidence and infrastructure development of government/Local school toilets construction and other facilities in the local panchayats and in the District of Thrissur	23.179	43.4383 (2) Overheads = 6.25	49.8313	Amount spent by Implementing Agency Manappuram Foundation Amount paid by MAFIL directly Rs .343 million
2(c)		Promoting Education	For education facilities at Nattika S.N.College	2.00	1.5	1.5	Through SN College Education Trust
2(d)		Promoting Education	For construction of a public school for all including socially and economically backward Community		44.203		
2(e)		Promoting Education	To local area participated programmes with organisations At Thrissur district	0.036	0.036	0.036	through Kerala Balasahaya samithy

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Sl. No.	CSR Project or Activity Identified	Sector in which the project is covered	Project or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) Project or programs wise (Amount in Million)	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or program. (2) Overheads (Amount in Millions)	Cumulative expenditure up to the reporting period (Amount in Millions)	Amount spent: Direct or through implementing agency
2(f)		Promoting Education	Ma- Mithram Quest local area participated programmes with Lions Cluborganisations At Thrissur ,Malappuram and Palakkad district	0.1	0.1	0.1	through Lions club and Manappuram Foundation Joint programmes
2(g)		Promoting Education	Sanitary Napking vending machine and incinerator supply local area participated programmes with Lions club organisations At Thrissur ,Malappuram and Palakkad district	0.304	0.274	0.304	through Lions club and Manappuram Foundation Joint programmes
2(h)		Promoting Education	For various Educational Help In local areas	0.061	0.051 (2) Overheads = .01	0.061	Through various organisation
3 (a)	Promoting Gender equality, empowering women, setting up homes and hostels for women and orphans, setting up oldage homes, daycare centre, and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups Promoting Gender equality, empowering women ,setting up homes and hostels for women and orphans ;setting up oldage homes ,daycare centre, and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups	Empowering women	Ma-Mahima Centers at The locations Trissur/Kochi and Palakadu districts in Kerala 3 (a) Promoting Gender equality, empowering women, setting up homes and hostels for women and orphans, setting up oldage homes, daycare centre, and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups Promoting Gender equality, empowering women ,setting up homes and hostels for women and orphans ;setting up oldage homes ,daycare centre, and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groupsEmpowering women Local Area and Thrissur	2.023	1.139 (2) Overheads = .14	1.2898	Amount spent by Implementing Agency Manappuram Foundation Amount paid by MAFIL directly Rs .010838 million

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

Sl. No.	CSR Project or Activity Identified	Sector in which the project is covered	Project or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) Project or programs wise (Amount in Million)	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or program. (2) Overheads (Amount in Millions)	Cumulative expenditure up to the reporting period (Amount in Millions)	Amount spent: Direct or through implementing agency
3(b)		Setting up of old age homes, daycare centre and such other facilities for senior citizens	Pakal Veedu at Thalikulam Thrissur District Kerala State and also at Palakkad	3.02	2.547 (2) Overheads =.32	2.867	Amount spent by Implementing Agency
4(a)	Ensuring environmental sustainability, ecological balance, protection of flora and fauna animal welfare, agroforestry, conservation of Natural Resources, and maintaining quality of soil, air and water	Ensuring environmental sustainability and ecological Balance	V.C. Padmanbhan Chair for Ecology and Environment Conservation-At Vellangallur panchayat in Thrissur District	1.69	1.5 (2) Overheads =.19	1.69	Manappuram Foundation Through Salim Ali Foundation
5	Promotion of Education, Educating the masses and Promotion of Road Safety awareness through Road uasgae.	Road Safety		0.24	0.2 (2) Overheads = .04	0.24	Amount spent by Manappuram Foundation and Valapad Traffic Kremikarana Samithy
6	Swachh Bharat Mission	Swachh Bharat	Cleanliness drive-Palayam Market, Trivandrum	0.03	0.03	0.03	Through Manappuram Foundation and Rays-Colour of Life-Trivandrum
Total				125.39	91.86	93.86	

The Administrative overhead of Rs 10.76 million has been allocated on the projects
The Direct Expenses of MAFIL Rs 2.22 million has been taken

	in millions
Unspent amount 2014-15	54.64
CSR Contribution for The Year	70.75
Total	125.39
Amount unspent in 15-16	31.53

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6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report:

An amount of Rs.31.53 Million could not be utilized as this amount was set apart for purchasing the land to setup a Public School in order to promote high standard education to students coming from the economically and socially backward society. However, the purchase did not materialize due to land owners demand for higher price than the price originally agreed.

The same amount will be spent during financial year 2016-17 for setting up a public school.

7. **A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the company.**

We certify that the implementation and monitoring of CSR policy as adopted by the board is in compliance with the CSR objectives and policy of the Company.

V.R.Rajiven
Chairman - CSR Committee

V.P.Nandakumar
Member CSR Committee
MD & CEO

Adv. V.R.Ramachandran
Member CSR Committee

Dr. Amla Samanta
Member-CSR Committee

Annexure V

FORM MR-3 SECRETARIAL AUDIT REPORT

(Pursuant to Section 204(1) of the Companies Act, 2013 read with Rule 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014
For the Financial Year ended 31st March, 2016

To,

The Members
Manappuram Finance Limited
IV/470A(Old) W638A (new),
Manappuram House, Valapad,
Thrissur, Kerala – 680 567

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Manappuram Finance Limited (hereinafter called "the Company"). Secretarial Audit was conducted for the financial year ended on 31st March, 2016 in a manner that provided us reasonable basis for evaluating the corporate conduct / statutory compliances and expressing our opinion thereon.

On the basis of the above and on our verification of documents, books, papers, minutes, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of the Audit, We hereby report that in our opinion, the Company has, during the period covered under the Audit as aforesaid, 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 the Company for the financial year ended 31st March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 and the Rules made there under and the Companies Act, 1956 and the Rules made there under to the extent applicable.
- (ii) The Securities Contracts (Regulation) Act, 1956 and the Rules made there under.
- (iii) The Depositories Act, 1996 and the Regulations and Bye-Laws framed there under.
- (iv) The Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
- (v) The following Regulations and Guidelines prescribed under Securities and Exchange Board of India Act, 1992:-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
 - f. The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding Companies Act and dealing with client.
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009
 - h. The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998
 - i. Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

- (vi) The following laws, regulations, directions, orders applicable specifically to the Company:
- The Reserve Bank of India Act, 1934.
 - Non-Banking Financial Companies (Non-Deposit Accepting or Holding) Prudential Norms (Reserve Bank) Directions, 2007.
 - Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015.
 - Online Returns to be submitted by NBFCs - RBI Guidelines.

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

- Secretarial Standards 1 & 2 issued by The Institute of Company Secretaries of India.
- Listing Agreement for equity and debt securities entered into with BSE Limited and National Stock Exchange of India Limited.

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

On the basis of the information and explanation provided, the Company had no transaction during the period under Audit requiring the compliance of applicable provisions of Act / Regulations / Directions as mentioned above in respect of:

- Foreign Direct Investment, External Commercial Borrowings and Overseas Direct Investment.
- Buy-back of securities.
- Issue of Equity or Debt Securities

We further report that The Board of Directors of the Company is duly constituted with the 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 covered under the Audit were carried out in compliance with the provisions of the Act.

Adequate notice and detailed notes on Agenda was given to all Directors at least seven days in advance to schedule the Board Meetings. There exist a system for seeking and obtaining further information and clarifications on the Agenda items before the Meeting and for meaningful participation at the Meeting.

Majority decision is carried through and recorded as part of the minutes. We did not find any dissenting directors' views recorded in 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 period covered under the Audit, the Company has made the following specific actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, referred to above:

- The Company has amended its main objects to diversify its business and render additional financial services and other activities.
- The Company has acquired 100% stake in Manappuram Insurance Brokers Private Limited.

For **KSR & Co Company Secretaries LLP**

C.V.Madhusudhanan
Partner
(FCS: 5367; CP: 4408)

Date: May 12, 2016
Place: Coimbatore

The Members,
Manappuram Finance Limited
IV/470A(Old) W638A (new),
Manappuram House, Valapad,
Thrissur, Kerala – 680 567

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed, provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
5. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For **KSR & Co Company Secretaries LLP**

C.V.Madhusudhanan
Partner
(FCS: 5367; CP: 4408)

Date: May 12, 2016
Place: Coimbatore

Annexure VI

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31.03.2016

[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	L65910KL1992PLC006623
ii) Registration Date	15th July 1992
iii) Name of the Company	Manappuram Finance Limited
iv) Category / Sub-Category of the Company	NBFC
v) Address of the registered office and contact details	IV/470A(OldW638A(New) Manappuram House P.O Valapad Phone: 3050417/415/413
vi) Whether listed company	Yes
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	S.K.D.C.Consultants Limited Category I Registrars and Share Transfer Agents Kanapathy Towers, 3rd Floor, 1391/A1, Sathy Road, Ganapathy, Coimbatore – 641 006, Phone: +91 422 6549995, 2539835-836 Email: info@skdc-consultants.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be as stated below

Sl. No.	Name and Description of the main products/Services	NIC Code of the Product/ service	% to total turnover of the company
1	GOLD LOAN	GOLD LOAN	97.84%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

All the business activities contributing 10 % or more of the total turnover of the company shall be as stated below

S. NO	NAME OF THE COMPANY	ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	Manappuram Home Finance Private Limited	5th floor, IV /470 A (OLD) W638A (New) Manappuram House Valapad Post Thrissur-680567	U65923KL2010PTC039179	SUBSIDIARY	100	2(87)(ii)
2	Asirvad Micro Finance Private Limited	DESHBANDHU PLAZA, FIRST FLOOR,47, WHITES ROAD,CHENNAI,Tamil Nadu,Pin: 600014	U65923TN2007PTC064550	SUBSIDIARY	90.38	2(87)(ii)
3	Manappuram Insurance Brokers Private Ltd	2nd Floor, Manappuram House(Old Bldg), Valapad 680567, Kerala,License No. 335	U66010KL2002PTC015699	SUBSIDIARY	100	2(87)(ii)

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

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

i) Category-wise Share Holding

Category of shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A) Promoters									
(1) Indian									
a) Individuals/ Hindu Undivided Family	270537856	0	270537856	32.161	283426240	0	283426240	33.693	1.532
b) Central Government/ State Government(s)	0	0	0	0.000					0.000
c) Bodies Corporate	0	0	0	0.000					0.000
d) Financial Institutions/ Banks	0	0	0	0.000					0.000
e) Any Others (Specify)	0	0	0	0.000					0.000
TRUSTS	0	0	0	0.000					0.000
Sub Total(A)(1)	270537856	0	270537856	32.161	283426240	0	283426240	33.693	1.532
(2) Foreign									
"a) Individuals (Non-Residents Individuals/ Foreign Individuals)"	0	0	0	0.000	0	0	0	0.000	0.000
b) Bodies Corporate	0	0	0	0.000	0	0	0	0.000	0.000
c) Institutions	0	0	0	0.000	0	0	0	0.000	0.000
d) Qualified Foreign Investor	0	0	0	0.000	0	0	0	0.000	0.000
e) Any Others (Specify)	0	0	0	0.000	0	0	0	0.000	0.000
	0	0	0	0.000	0	0	0	0.000	0.000
	0	0	0	0.000	0	0	0	0.000	0.000
	0	0	0	0.000	0	0	0	0.000	0.000
Sub Total(A)(2)	0	0	0	0.000	0	0	0	0.000	0.000
Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	270537856	0	270537856	32.161	283426240	0	283426240	33.693	1.532
(B) Public shareholding									
(1) Institutions									
a) Mutual Funds/ UTI	31888782	0	31888782	3.791	28125313	0	28125313	3.343	-0.448
b) Financial Institutions / Banks	21790	0	21790	0.003	50083	0	50083	0.006	0.003
c) Central Government/ State Government(s)									
d) Venture Capital Funds									
e) Insurance Companies									
f) Foreign Institutional Investors	269212922	0	269212922	32.003	187690929	0	187690929	22.312	-9.691

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

Category of shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
g) Foreign Venture Capital Investors									
h) Qualified Foreign Investor									
i) Any Other (specify)									
FOREIGN PORTFOLIO INV (CORP. CAT)	78582285	0	78582285	9.342	121084290	0	121084290	14.394	5.052
Sub-Total (B)(1)	379705779	0	379705779	45.139	336950615	0	336950615	40.055	-5.084
(2) Non-institutions									
a) Bodies Corporate									
i) Indian	11185663	4100	11189763	1.330	19433360	4100	19437460	2.311	0.981
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs 1 lakh	54965680	7305445	62271125	7.401	61209948	7023820	68233768	8.112	0.711
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	49190693	2082000	51272693	6.095	87694414	974000	88668414	10.541	4.446
c) Others (specify)									
TRUSTS	6500	0	6500	0.001	807714	0	807714	0.096	0.095
DIRECTORS & THEIR RELATIVES	11683418	0	11683418	1.389	6918728	0	6918728	0.822	-0.567
NON RESIDENT INDIANS	5880513	320000	6200513	0.737	7444631	280000	7724631	0.918	0.181
CLEARING MEMBERS	1704986	0	1704986	0.203	2699517	0	2699517	0.321	0.118
HINDU UNDIVIDED FAMILIES	1587057	0	1587057	0.189	3223597	0	3223597	0.383	0.194
FOREIGN CORPORATE BODIES	44547446	0	44547446	5.296	22616452	0	22616452	2.689	-2.607
NRI DIRECTORS	500000	0	500000	0.059	500000	0	500000	0.059	0.000
Sub-Total (B)(2)	181251956	9711545	190963501	22.700	212548361	8281920	220830281	26.252	3.552
Total Public Shareholding (B)= (B)(1)+(B)(2)	560957735	9711545	570669280	67.839	549498976	8281920	557780896	66.307	-1.532
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
GRAND TOTAL (A)+(B)+(C)	831495591	9711545	841207136	100.000	832925216	8281920	841207136	100.000	0.000

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

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

ii) Shareholding of Promoters

Sl. No.	Shareholders Name	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% of change 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	NANDAKUMAR V P	222537778	26.455	1.375	230939917	27.453	1.325	0.998
2	SUSHAMA NANDAKUMAR	48000078	5.706	0.000	48000078	5.706	0.000	0.000
3	JYOTHI*	4462165	0.530	0.000	4462165	0.530	0.000	0.000
4	SUMITHA JAYASANKAR*	23260	0.003	0.000	23260	0.003	0.000	0.000
5	SOORAJ NANDAN*	820	0.000	0.000	820	0.000	0.000	0.000
6	SUHAS NANDAN*	0	0.000	0.000	0	0.000	0.000	0.000
	TOTAL	275024101	32.694	1.113	283426240	33.692	1.080	0.998

* The above persons named from 3 to 6 are belongs to promoter group

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

iii) Change in Promoters' Shareholding

Sl No	Names	No of Shares	% of the total share of the company	Date	Date wise Increase / Decrease in Promoters Share holding during the year	Reason	Cumulative Shareholding during the year 31-03-2016	
							No of Shares	% of the total share of the company
1.	NANDAKUMAR V P	222537778	25.845	12.06.2015	100000	Market Purchase	222637778	26.47
				15.06.2015	100000	Market Purchase	222737778	26.48
				29.06.2015	100000	Market Purchase	222837778	26.49
				03.07.2015	15500	Market Purchase	222853278	26.49
				08.07.2015	27900	Market Purchase	222881178	26.50
				20.08.2015	158300	Market Purchase	223039478	26.51
				11.09.2015	240000	Market Purchase	223279478	26.54
				14.09.2015	250000	Market Purchase	223529478	26.57
				24.09.2015	250000	Market Purchase	223779478	26.60
				06.10.2015	618000	Market Purchase	224397478	26.68
				11.11.2015	420000	Market Purchase	224817478	26.73
				20.11.2015	445000	Market Purchase	225262478	26.78
				26.11.2015	219450	Market Purchase	225481928	26.80
				10.12.2015	395400	Market Purchase	225877328	26.85
				24.12.2015	100000	Market Purchase	225977328	26.86
				31.12.2015	515000	Market Purchase	226492328	26.92
				01.01.2016	500000	Market Purchase	226992328	26.98
				06.01.2016	500000	Market Purchase	227492328	27.04
				07.01.2016	600000	Market Purchase	228092328	27.11
				13.01.2016	865000	Market Purchase	228957328	27.22
				28.03.2016	982589	Market Purchase	229939917	27.33
				29.03.2016	1000000	Market Purchase	230939917	27.45
2.	SUSHAMA NANDAKUMAR	48000078	5.71	NIL	NIL	NIL	48000078	5.71

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

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

iv. Share holding pattern of Top 10 Shareholders(other than Directors,Promoters,and Holders of GDRs and ADRs)

Sl No	Names	Shareholding at the beginning of the year as on 01-04-2015		Date	Date wise Increase / Decrease in Promoters Share holding during the year	Reason	Cumulative Shareholding during the year 31-03-2016	
		No of Shares	% of the total share of the company				No of Shares	% of the total share of the company
1.	BARING INDIA PRIVATE EQUITY FUND III	79360973	9.434	NIL	NIL	NIL	7 93 60 973	9.43
2.	SMALLCAP WORLD FUND, INC	54930986	6.53	NIL	NIL	NIL	5 49 30 986	6.53
				15.05.2015	-456368	Market sale	5 44 74 618	6.48
				22.05.2015	-818268	Market sale	5 36 56 350	6.38
				29.05.2015	-465526	Market sale	5 31 90 824	6.32
				05.06.2015	-9500	Market sale	5 31 81 324	6.32
				14.08.2015	-1187904	Market sale	5 19 93 420	6.18
				21.08.2015	-2890211	Market sale	4 91 03 209	5.84
				28.08.2015	-444204	Market sale	4 86 59 005	5.78
				04.09.2015	-610609	Market sale	4 80 48 396	5.71
				11.09.2015	-5375046	Market sale	4 26 73 350	5.07
				18.09.2015	-14742364	Market sale	2 79 30 986	3.32
				16.10.2015	-1033759	Market sale	2 68 97 227	3.20
				23.10.2015	-638864	Market sale	2 62 58 363	3.12
				30.10.2015	-1503529	Market sale	2 47 54 834	2.94
				06.11.2015	-6280531	Market sale	1 84 74 303	2.20
3.	HUDSON EQUITY HOLDINGS LIMITED	44547446	5.296	20.11.2015	-1160324	Market sale	1 73 13 979	2.06
				27.11.2015	-17313979	Market sale	-	-
				18.09.2015	-8000000	Market sale	3 65 47 446	4.34
				04.12.2015	-1168092	Market sale	3 53 79 354	4.21
				11.12.2015	-82308	Market sale	3 52 97 046	4.20
				18.12.2015	-1868706	Market sale	3 34 28 340	3.97
				25.12.2015	-1069514	Market sale	3 23 58 826	3.85
				31.12.2015	-1014000	Market sale	3 13 44 826	3.73
				08.01.2016	-806000	Market sale	3 05 38 826	3.63
				15.01.2016	-744000	Market sale	2 97 94 826	3.54
				05.02.2016	-3326000	Market sale	2 64 68 826	3.15
				12.02.2016	-221840	Market sale	2 62 46 986	3.12
				19.02.2016	-61534	Market sale	2 61 85 452	3.11
				26.02.2016	-569000	Market sale	2 56 16 452	3.05
				11.03.2016	-1000000	Market sale	2 46 16 452	2.93
4.	BARING INDIA PRIVATE EQUITY FUND II LIMITED	26453439	3.145	18.03.2016	-1000000	Market sale	2 36 16 452	2.81
				25.03.2016	-1000000	Market sale	2 26 16 452	2.69
5.	BEAVER INVESTMENT HOLDINGS	21145801	2.514	NIL	NIL	NIL	2 64 53 439	3.14
				17.04.2015	-220000	Market sale	2 09 25 801	2.49
				08.05.2015	-3048726	Market sale	1 78 77 075	2.13
				15.05.2015	-70110	Market sale	1 78 06 965	2.12
				22.05.2015	-1159000	Market sale	1 66 47 965	1.98
				18.09.2015	-13883803	Market sale	27 64 162	0.33
				25.09.2015	-900000	Market sale	18 64 162	0.22
				02.10.2015	-1400000	Market sale	4 64 162	0.06
				09.10.2015	-464162	Market sale	-	-

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

Sl No	Names	Shareholding at the beginning of the year as on 01-04-2015		Date	Date wise Increase / Decrease in Promoters Share holding during the year	Reason	Cumulative Shareholding during the year 31-03-2016	
		No of Shares	% of the total share of the company				No of Shares	% of the total share of the company
6.	THE WELLINGTON TRUST COMPANY NATIONAL ASSOCIATION	20918042	2.480	10.04.2015	460338	Market Purchase	2 13 78 380	2.54
				01.05.2015	461524	Market Purchase	2 18 39 904	2.60
				08.05.2015	1282493	Market Purchase	2 31 22 397	2.75
				15.05.2015	108262	Market Purchase	2 32 30 659	2.76
				06.11.2015	-571759	Market sale	2 26 58 900	2.69
				13.11.2015	-534693	Market sale	2 21 24 207	2.63
				20.11.2015	-1016624	Market sale	2 11 07 583	2.51
				27.11.2015	-3297939	Market sale	1 78 09 644	2.12
				18.12.2015	-1110549	Market sale	1 66 99 095	1.99
				29.01.2016	-554587	Market sale	1 61 44 508	1.92
				05.02.2016	-1660400	Market sale	1 44 84 108	1.72
				26.02.2016	-3030572	Market sale	1 14 53 536	1.36
				04.03.2016	-2794097	Market sale	86 59 439	1.03
				18.03.2016	-1504586	Market sale	71 54 853	0.85
				25.03.2016	-375573	Market sale	67 79 280	0.81
7.	ASHISH DHAWAN	14759947	1.755	31.03.2016	-2399250	Market sale	43 80 030	0.52
				11.09.2015	750000	Market Purchase	1 55 09 947	1.84
				18.09.2015	9004871	Market Purchase	2 45 14 818	2.91
8.	MERRILL LYNCH CAPITAL MARKETS ESPANA S.A.	14271019	1.696	10.04.2015	141291	Market Purchase	1 44 12 310	1.71
				17.04.2015	3000	Market Purchase	1 44 15 310	1.71
				08.05.2015	12296	Market Purchase	1 44 27 606	1.72
				05.06.2015	238416	Market Purchase	1 46 66 022	1.74
				19.06.2015	200000	Market Purchase	1 48 66 022	1.77
				26.06.2015	585874	Market Purchase	1 54 51 896	1.84
				30.06.2015	15191	Market Purchase	1 54 67 087	1.84
				03.07.2015	59307	Market Purchase	1 55 26 394	1.85
				07.08.2015	-50591	Market Sale	1 54 75 803	1.84
				21.08.2015	243251	Market Purchase	1 57 19 054	1.87
				28.08.2015	-99318	Market Purchase	1 56 19 736	1.86
				04.09.2015	-294781	Market Purchase	1 53 24 955	1.82
				11.09.2015	-246845	Market Purchase	1 50 78 110	1.79
				18.09.2015	-548862	Market Purchase	1 45 29 248	1.73
				25.09.2015	-617697	Market Purchase	1 39 11 551	1.65
				02.10.2015	-1303475	Market sale	1 26 08 076	1.50
				21.11.2015	-142791	Market Purchase	1 24 65 285	1.48
				04.12.2015	-25797	Market sale	1 24 39 488	1.48
				11.12.2015	-30211	Market Purchase	1 24 09 277	1.48
				25.12.2015	-20211	Market Purchase	1 23 89 066	1.47
9.	BRIC II MAURITIUS TRADING	12931619	1.537	15.01.2016	-1124452	Market Purchase	1 12 64 614	1.34
				22.01.2016	-266031	Market Purchase	1 09 98 583	1.31
				26.02.2016	-1307398	Market Purchase	96 91 185	1.15
				NIL	NIL	NIL	1 29 31 619	1.54

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

Sl No	Names	Shareholding at the beginning of the year as on 01-04-2015		Date	Date wise Increase / Decrease in Promoters Share holding during the year	Reason	Cumulative Shareholding during the year 31-03-2016	
		No of Shares	% of the total share of the company				No of Shares	% of the total share of the company
10.	MORGAN STANLEY ASIA (SINGAPORE) PTE	12500599	1.486	10.04.2015	395180	Market Purchase	1 28 95 779	1.53
				17.04.2015	162984	Market Purchase	1 30 58 763	1.55
				24.04.2015	1809	Market Purchase	1 30 60 572	1.55
				08.05.2015	40326	Market Purchase	1 31 00 898	1.56
				22.05.2015	-103114	Market sale	1 29 97 784	1.55
				29.05.2015	-184702	Market sale	1 28 13 082	1.52
				05.06.2015	-249226	Market sale	1 25 63 856	1.49
				12.06.2015	-609003	Market sale	1 19 54 853	1.42
				19.06.2015	-66930	Market sale	1 18 87 923	1.41
				26.06.2015	-29179	Market sale	1 18 58 744	1.41
				03.07.2015	6218	Market Purchase	1 18 64 962	1.41
				17.07.2015	-618436	Market sale	1 12 46 526	1.34
				24.07.2015	33748	Market Purchase	1 12 80 274	1.34
				31.07.2015	-87184	Market sale	1 11 93 090	1.33
				07.08.2015	-431375	Market sale	1 07 61 715	1.28
				14.08.2015	-628337	Market sale	1 01 33 378	1.20
				21.08.2015	-139936	Market sale	99 93 442	1.19
				28.08.2015	-619590	Market sale	93 73 852	1.11
				04.09.2015	-1358720	Market sale	80 15 132	0.95
				11.09.2015	-526978	Market sale	74 88 154	0.89
				18.09.2015	504890	Market Purchase	79 93 044	0.95
				25.09.2015	-522026	Market sale	74 71 018	0.89
				09.10.2015	21703	Market Purchase	74 92 721	0.89
				23.10.2015	-10954	Market sale	74 81 767	0.89
				30.10.2015	-51165	Market sale	74 30 602	0.88
				06.11.2015	-13950	Market sale	74 16 652	0.88
				20.11.2015	-63139	Market sale	73 53 513	0.87
				27.11.2015	-12353	Market sale	73 41 160	0.87
				25.12.2015	49439	Market Purchase	73 90 599	0.88
				31.12.2015	48388	Market Purchase	74 38 987	0.88
				08.01.2016	21789	Market Purchase	74 60 776	0.89
				15.01.2016	-84934	Market sale	73 75 842	0.88
				22.01.2016	-26718	Market sale	73 49 124	0.87
				19.02.2016	906373	Market Purchase	82 55 497	0.98
				26.02.2016	231198	Market Purchase	84 86 695	1.01
				04.03.2016	1881646	Market Purchase	1 03 68 341	1.23
				11.03.2016	-80175	Market sale	1 02 88 166	1.22
				18.03.2016	2092359	Market Purchase	1 23 80 525	1.47
				25.03.2016	868063	Market Purchase	1 32 48 588	1.57
				31.03.2016	1382487	Market Purchase	1 46 31 075	1.74

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

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

Shareholding of Directors and Key Managerial Personnel:

SL NO	Names	Designation	Shareholding at the beginning of the year as on 01-04-2015		Date	Date wise Increase / Decrease in Promoters Share holding during the year	Reason	Cumulative Shareholding during the year 31-03-2016	
			No of Shares	% of the total share of the company				No of Shares	% of the total share of the company
1	MR.NANDAKUMAR V P	MANAGING DIRECTOR & CEO	222537778	25.845	12.06.2015	100000	Market Purchase	222637778	26.47
					15.06.2015	100000	Market Purchase	222737778	26.48
					29.06.2015	100000	Market Purchase	222837778	26.49
					03.07.2015	15500	Market Purchase	222853278	26.49
					08.07.2015	27900	Market Purchase	222881178	26.50
					20.08.2015	158300	Market Purchase	223039478	26.51
					11.09.2015	240000	Market Purchase	223279478	26.54
					14.09.2015	250000	Market Purchase	223529478	26.57
					24.09.2015	250000	Market Purchase	223779478	26.60
					06.10.2015	618000	Market Purchase	224397478	26.68
					11.11.2015	420000	Market Purchase	224817478	26.73
					20.11.2015	445000	Market Purchase	225262478	26.78
					26.11.2015	219450	Market Purchase	225481928	26.80
					10.12.2015	395400	Market Purchase	225877328	26.85
					24.12.2015	100000	Market Purchase	225977328	26.86
					31.12.2015	515000	Market Purchase	226492328	26.92
					01.01.2016	500000	Market Purchase	226992328	26.98
					06.01.2016	500000	Market Purchase	227492328	27.04
					07.01.2016	600000	Market Purchase	228092328	27.11
					13.01.2016	865000	Market Purchase	228957328	27.22
2	MR.B.N RAVEENDRABABU	EXECUTIVE DIRECTOR	2267236	0.270	11.06.2015	100000	Market Sale	2367236	0.28
					10.09.2015	50000	Market Sale	2417236	0.29
3	MR.SHAILESH J MEHTA	DIRECTOR	500000	0.059	NIL	NIL	NIL	500000	0.06
4	JAGDISH CAPOOR	DIRECTOR	2000	0	NIL	NIL	NIL	2000	0.00
5	MANOMOHAN P	DIRECTOR	1043582	0.124	NIL	NIL	NIL	1043582	0.12

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

SL NO	Names	Designation	Shareholding at the beginning of the year as on 01-04-2015		Date	Date wise Increase / Decrease in Promoters Share holding during the year	Reason	Cumulative Shareholding during the year 31-03-2016	
			No of Shares	% of the total share of the company				No of Shares	% of the total share of the company
6	RAMACHANDRAN V.R	DIRECTOR	1538000	0.18	06.01.2016	60000	Market Purchase	1598000	0.19
7	RAJIVEN V.R	DIRECTOR	7500	0	18.02.2016	3100	Market Purchase	10600	0.00
8	AMLA SAMANTA	DIRECTOR	NIL	NIL	NIL	NIL	NIL	NIL	NIL
9	Mr. PRADEEP JAGDISH SAXENA	DIRECTOR	NIL	NIL	NIL	NIL	NIL	NIL	NIL
10	MR.EKNATH ATMARAM KSHIRSAGAR	DIRECTOR	NIL	NIL	NIL	NIL	NIL	NIL	NIL
11	MR.KAPIL KRISHAN	CHIEF FINANCIAL OFFICER	30,000.00	0.00	03.06.2015	20000	Market Purchase	50000.00	0.01
					15.06.2015	7500	Market Purchase	57500.00	0.01
					25.08.2015	10000	Market Purchase	67500.00	0.01
					26.08.2015	10000	Market Purchase	77500.00	0.01
					11.09.2015	15000	Market Purchase	92500.00	0.01
					19.11.2015	7500	Market Purchase	100000.00	0.01
12	MR. RAMESH PERIASAMY	COMPANY SECRETARY	NIL	NIL	NIL	NIL	NIL	NIL	NIL

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposit	Total Indebtedness
In indebtedness at the beginning of the financial year				
(i) Principal Amount	79,641.98	4,276.51	0.07	83,918.56
(ii) Interest due but not paid	0.03	4.79	-	4.82
(iii) Interest accrued but not due	803.57	562.09	-	1,365.66
Total(i+ii+iii)	80,445.58	4,843.39	0.07	85,289.04
Change in indebtedness during the year				
• Additions	121,372.12	70,529.29		191,901.41
• Reduction	125,232.07	62,584.41		187,816.48
Net change	(3,859.95)	7,944.88	-	4,084.93
In indebtedness at the end of the financial year				
(i) Principal Amount	75,782.02	12,221.39	0.07	88,003.48
(ii) Interest due but not paid	0.83	3.26	-	4.09
(iii) Interest accrued but not due	1,038.80	553.58	-	1,592.38
Total(i+ii+iii)	76,821.66	12,778.22	0.07	89,599.95

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

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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		Total Amount
		V.P NANDAKUMAR	B.N RAVEENDRA BABU	
1	Gross salary	3,12,61,664	87,35,915	3,99,97,579
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	NIL	NIL	NIL
2	Stock Option	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL
4	Commission	20,000,000.00	4,000,000.00	24,000,000.00
	- as % of profit	0.59%	0.12%	
	- others, specify...			
5	Others, please specify			
	Total (A)	51,261,664	1,27,35,915	6,39,97,579
	Ceiling as per the Act	267.97 Million	267.97 Million	535.94 Million

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**B. Remuneration to other directors:**

SL NO	Particulars of Remuneration	Jagdish Capoor	I.Unnikrishnan*	P.Manomohanan	Shailesh J Mehta	Rajiven V.R	V.R Ramachandran	Amla Samanta	Total Amount
1	Independent Directors								
	• Fee for attending board / committee meetings	400,000.00	-	515,000.00	615,000.00	720,000.00	345,000.00	335,000.00	2,930,000.00
	• Commission	3,600,000.00	-	2,160,000.00	3,600,000.00	1,800,000.00	1,440,000.00	-	12,600,000.00
	• Others, please specify								
	Total (1)	4,000,000.00	-	2,675,000.00	4,215,000.00	2,520,000.00	1,785,000.00	335,000.00	15,530,000.00
2	Other Non-Executive Directors								
	• Fee for attending board / committee meetings		135,000.00						135,000.00
	• Commission								-
	• Others, please specify								-
	Total (2)		135,000.00						135,000.00
	Total (B)=(1+2)	4,000,000.00	135,000.00	2,675,000.00	4,215,000.00	2,520,000.00	1,785,000.00	335,000.00	15,665,000.00
	Total Managerial Remuneration								
	Over all Ceiling as per the act								53.59 Million

*(Mr. I. Unnikrishnan resigned from the Company w.e.f 05th November, 2015)

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

SL	Particulars of Remuneration	Key Managerial Personnel		Total
		Chief Financial Officer Kapil Krishan	Company Secretary Ramesh Periasamy*	
1.00	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	70,87,269	20,26,088	91,13,357
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.00	Stock Option	-	-	-
3.00	Sweat Equity	-	-	-
4.00	Commission	-	-	-
	- as % of profit	-	-	-
	- Others, specify	-	-	-
5.00	Others, please specify	-	-	-
	Total	70,87,269	20,26,088	91,13,357

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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			NIL		
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

Annexure-VII

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

(Information in respect of each subsidiary to be presented with amount in ₹)

1. Name of the Subsidiary: MANAPPURAM HOME FINANCE PRIVATE LIMITED
2. Reporting period for the subsidiary concerned, if different from the holding company's reporting period:
3. Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of Foreign subsidiaries:
4. Share Capital: ₹ 1,00,00,00,000
5. Reserves & Surplus: ₹ (-) 5,54,02,254
6. Total assets: ₹ 16,62,74,138
7. Total Liabilities: ₹ 1,66,27,41,382
8. Investments: ₹ 19,00,00,000
9. Turnover: ₹ 9,86,23,034
10. Profit before taxation: ₹ (-) 5,38,03,015
11. Provision for taxation: NIL
12. Profit after taxation: ₹ (-) 5,38,03,015
13. Proposed Dividend: NIL
14. % of Shareholding: 100%

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

(Information in respect of each subsidiary to be presented with amount in ₹)

1. Name of the Subsidiary: ASIRVAD MICROFINANCE PRIVATE LIMITED
2. Reporting period for the subsidiary concerned, if different from the holding company's reporting period: 31st March 2016
3. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of Foreign subsidiaries: Nil
4. Share Capital: ₹ 26,27,66,360
5. Reserves & Surplus: ₹ 2,03,77,38,652
6. Total assets: ₹ 10,44,61,49,325
7. Total Liabilities: ₹ 10,44,61,49,325
8. Investments: ₹ 5,00,000
9. Turnover: ₹ 1,56,08,73,809
10. Profit before taxation: ₹ 38,80,28,370
11. Provision for taxation: Rs.12,31,23,149
12. Profit after taxation: ₹ 23,95,84,886
13. Proposed Dividend: Nil
14. % of Shareholding: 90.38%

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

(Information in respect of each subsidiary to be presented with amount in ₹)

1. Name of the Subsidiary: Manappuram Insurance Brokers Private Limited
2. Reporting period for the subsidiary concerned, if different from the holding company's reporting period:
3. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of Foreign subsidiaries: NA
4. Share Capital: ₹ 77,00,000.00
5. Reserves & Surplus: ₹ 75,26,810.22
6. Total assets: ₹ 1,83,18,870.41
7. Total Liabilities: ₹ 1,83,18,870.41
8. Investments: NIL
9. Turnover: ₹ 1,89,84,960.27
10. Profit before taxation: ₹ (-)248864.97
11. Provision for taxation: ₹ (-)16,14,751.00
12. Profit after taxation: ₹ 1365,886.03
13. Proposed Dividend: NIL
14. % of Shareholding: 100%

Sr.No	Name of Share Holder	No. of Shares	Percentage
1	B N Raveendra Babu	1	0.00013
2	Manappuram Finance Limited	769999	99.99987

ANNEXURE VII(B)-Asirvad Micro Finance Pvt. Ltd.**FINANCIAL RESULTS**

S. No	Particulars	Year Ended 31st March, 2016	Year Ended 31st March, 2015
1	Gross Income	1560.9	673.2
2	Less: Total Expenditure	1198.16	517.1
3	Profit Before Tax	362.7	156.1
4	Profit After tax	239.6	104.0

RESERVES & DIVIDEND:

During the year an amount of ₹ 47,916,977/- representing 20% of the current profits of the year of the Company transferred to Statutory Reserve.

During the year under review, Preference share dividend was paid at the rate of 12%.

OPERATIONS AND BUSINESS PERFORMANCE:

During the year, your Company expanded its operations to the state of Madhya Pradesh, Chattisgarh, Jharkhand, West Bengal, Bihar, Uttar Pradesh, Haryana, Punjab and Chandigarh as part of diversifying into other areas. The operational highlights of your Company are:

- Client base has increased to 0.6 million across 343 branches in 13 states (from 0.278 million across 130 branches in 3 states)
- Gross Loan Portfolio at Rs. 9988 million (₹ 3400 million as on March 2015).
- Total disbursement during the year was at Rs. 11080 million (₹ 4110 million for FY 2015).
- Your Company has ensured compliance to all guidelines stipulated by Reserve Bank of India for the Microfinance Industry.
- Head Count of 1810 employees (as against 553 for FY 2015).

CREDIT RATING:

CARE has upgraded the grading of your Company to MFI 1, the highest in the industry. The bank loan rating is also upgraded to A- by ICRA & CARE .

CAPITAL ADEQUACY

The Capital Adequacy Ratio was 24.84% as on 31st March 2016. The minimum capital adequacy requirement stipulated for NBFC MFIs by Reserve Bank of India is 15%.

ANNEXURE VII(B) Manappuram Insurance Brokers Pvt. Ltd.**FINANCIAL RESULTS**

Sl. No.	Particulars	Year ended 31st March 2016	Year ended 31st March 2015
1	Gross Income	18.98	10.72
2	Less: Total Expenditure	19.23	15.87
3	Profit Before Tax	(-)0.24	(-)5.15
4	Profit after Tax	1.36	(-)7.22

During the FY 31.03.2016, your company made Total Revenue from operations to the tune of ₹ 17.5mn (70% increase) as compared to ₹ 10.2 mn in the year 2014-15. Total other income stood at 1.5 mn as compared to Rs 0.5 mn in the year ending 31.03.2015 (213% increase). Profit for the year (PAT) after adjusting tax came to 1.36 mn (118 % increase) as compared to loss of ₹ 7.2mn during the last year ending 31.03.2015. With effect from 01.01.2016, your company Manappuram Insurance Brokers Pvt. Ltd. has become 100% subsidiary of Manappuram Finance Ltd. During the year, total no. of policies in Life insurance processed was 2125 (144% increase) as compared to 871 life policies during the last year ended 31.03.2015. Your Company has ensured compliance to all the guidelines stipulated by Insurance Regulatory & Development Authority of India (IRDA) for the Insurance Broking Industry.

FINANCIAL RESULTS Manappuram Home Finance Pvt. Ltd.

Sl. No.	Particulars	Year ended 31st March 2016 (Rs. million)	Year ended 31st March 2015 (Rs. million)
1	Gross Income	98.6	9.4
2	Less: Total Expenditure	152.4	15.3
3	Profit / loss (-) Before Tax	-53.8	-5.9
4	Profit / loss (-) after Tax	-53.8	-5.9

RESERVES & DIVIDEND

Special Reserve – ₹ 0.9 million

Profit & Loss a/c – ₹ -56.3 million

OPERATIONS AND BUSINESS PERFORMANCE

Total Revenue – ₹ 98.6 million

CAPITAL ADEQUACY

1) CRAR %	112.85%
2) CRAR - Tier I capital %	112.24%
3) CRAR - Tier II capital %	0.61%

Annexure-VIII

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

- i. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2015-16, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2015-16 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sl. No	Name of Director/KMP and designation	Remuneration of Director/KMP for financial year 2015-16	% increase in Remuneration in the Financial Year 2015-16	Ratio of remuneration of each Director/ to median remuneration of employees	Comparison of the Remuneration of the KMP against the performance of the Company
1.	Jagdish Capoor(Chairman)	3600000	20%	22:1	PBT is increased by 25.82% and PAT increased by 24.57 %in FY 2015-16
2.	Shailesh Mehta(Director)	3600000	20%	22:1	
3.	P. Manomohanan(Director)	2160000	20%	13:1	
4.	V.R.Ramachandran(Director)	1440000	20%	09:1	
5.	V.R.Rajiven(Director)	1800000	20%	11:1	
6.	V.P.Nandakumar(MD & CEO)	55116676	10%	330:1	
7.	B.N.Raveendra Babu(ED)	13815327	12%	83:1	
8.	Kapil Krishan(CFO)	7282269	54%	44:1	
9.	Ramesh Periasamy(CS)	2249814	13%	13:1	

- ii. The median remuneration of employees of the Company during the financial year was ₹ 1,66,896/-
- iii. In the financial year, there was an increase of 17% in the median remuneration of employees;
- iv. There were 16,693 permanent employees on the rolls of Company as on March 31, 2016;
- v. Relationship between average increase in remuneration and company performance:- The Profit before Tax for the financial year ended March 31, 2016 increased by 25.82% whereas the increase in median remuneration was 17%. Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2015-16 was 18%.
- vi. Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company: The total remuneration of Key Managerial Personnel increased by 9% from ₹ 7.19 crore in 2014-15 to ₹ 7.84 crore in 2015-16 whereas the Profit before Tax increased by 25.82% to ₹ 518.91 crore in 2015-16 (₹ 412.42 crore in 2014-15).
- vii. a) The market capitalization as on March 31, 2016 was ₹ 29,44,22,49,760.00 (27213050849.60 as on March 31, 2015)
b) Price Earnings ratio of the Company was 8.33 as at March 31, 2016 and was 10.05 as at March 31, 2015
c) The Company had come out with initial public offer (IPO) in 1995. The market capitalization as on the date of IPO was ₹ 1,75,00,000 and the same as on March 31, 2016 was ₹ 29442249760.00
- viii. Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2015-16 was 18% whereas the increase in the managerial remuneration for the same financial year was 11%.
- ix. The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Human Resources, Nomination and Remuneration Committee as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.
- x. 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 – Not Applicable; and
- xi. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

Annexure-IX

AUDITORS' CERTIFICATE

To

The Members of Manappuram Finance Limited

We have examined the compliance of conditions of corporate governance by Manappuram Finance Limited, for the year ended on March 31, 2016, as stipulated in chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with stock exchange(s).

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the provisions as specified in chapter IV Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to Listing Agreement of the said Company with stock exchange(s).

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

per **Bharath N S**

Partner

Membership No.: 210934

Place: Chennai

Date: May 12, 2016

Annexure X

Details of employees were in the receipt of remuneration for the year exceeding the limit prescribed under Rule 5 of Companies (Appoitment and Remmuneration of Managerial Personal)Rules,2014.

NAME	DESIGNATION	REMUNERATION RECEIVED	NATURE OF EMPLOYMENT	QUALIFICATION	EXPERIENCE	DATE OF COMMENCEMENT OF EMPLOYMENT	AGE	LAST EMPLOYMENT HELD BY SUCH EMPLOYEE BEFORE COMPANY	PERCENTAGE OF EQUITY SHARES HELD BY THE EMPLOYEE IN THE COMPANY
V.P.NANDAKUMAR	MANAGING DIRECTOR & CEO	31,261,664.00	PERMANENT	M.Sc,CAIB (Part-I),PGDFT(IIFT)	36	NA	63	NA	27.45
B.N RAVEENDRA BABU	EXECUTIVE DIRECTOR	8,735,915.00	PERMANENT	M.Com,ICMA (Inter)	33	NA	65	NA	0.29
KAPIL KRISHAN	CHIEF FINANCIAL OFFICER	7,087,269.00	PERMANENT	Chartered Accountant	26	09/09/2013	50	Worked as Chief Financial Officer in India Infoline	0.01

Corporate Governance Report

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Your Company believes that good governance practices, internal control systems, transparent operational activities and proper risk management system are essential for sustainable business. The Company focuses on enhancement of long term shareholder value without compromising on ethical standards and corporate social responsibilities. The Company believes that its business plans and strategies should be consistent with the above objective leading to sustained corporate growth and long-term benefit to all. The Company follows this principle meticulously in all its business dealings and decisions.

The Company is in compliance with the requirements of corporate governance, as applicable, specified in the clause 49 of Listing Agreement, regulations 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of regulation 46 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI (LODR) Regulations, 2015") and companies act 2013. The Company is also in compliance with the Corporate Governance and Disclosure norms for NBFCs issued by Reserve Bank of India vide Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015 ("RBI Corporate Governance Directions, 2015").

The Company has adopted Manappuram Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and Code of Conduct to regulate, monitor and report Trading by Insiders and also adopted Internal Guidelines on Corporate Governance as per RBI Corporate Governance Directions, 2015. These codes are available in the Company website - (<http://www.manappuram.com/files/Code-of-Conduct-for-Prevention-of-Insider-Trading-and-Code-of-Corporate-Disclosure-Practices.pdf>).

Pursuant to SEBI Circular No. CIR/CFD/CMD/06/2015 dated October 13, 2015 and SEBI (LODR) Regulations, 2015, the Company has executed fresh Listing Agreements with the Bombay Stock Exchange and National Stock Exchange.

BOARD OF DIRECTORS

A. Composition of the Board

The Company has formulated Board Diversity policy to have a competent and highly professional team of Board members. There are ten directors on the Board of the Company having diverse experience and expertise in their respective areas. The composition of the Board meets the criteria as prescribed in SEBI (LODR) Regulations, 2015, and Companies Act, 2013. This composition also fulfils the norms prescribed by Reserve Bank of India in this regard. Out of the (10) ten directors, (2) two are Executive Directors, (2) two are nominee directors and (6) six are independent directors. Out of (6) Six Independent Directors, (1) One Independent Director is a Woman Director.

Policy on Board Composition and Compensation is in place for ascertaining the fit and proper criteria of the directors at the time of appointment and on a continuing basis. The policy on the fit and proper criteria is in line with RBI Corporate Governance Directions, 2015 and all existing directors are fit and proper to continue to hold the appointment as a director in the Board.

All the Independent Directors have confirmed that they meet the criteria as mentioned under Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015 read with Section 149(6) of the Companies Act, 2013. None of the Directors on the Board hold directorships in more than ten public companies. Further none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he/she is a Director. Necessary disclosures regarding Committee positions in other public companies as on April 01, 2016 have been made by the Directors. None of the Directors are related to each other.

During the year, a separate meeting of Independent Directors was held on November 05, 2015 and all Independent Directors were present for that meeting. The Independent Directors, inter-alia, reviewed the performance of non-independent directors, Chairman of the Company and the Board as a whole.

B. Meetings & attendance

During FY 2015-16, the Board met on six occasions viz. 14-05-2015, 14-08-2015, 05-11-2015, 07-11-2015, 12-02-2016 and 11-03-2016. The details of participation in the meetings and other relevant information are given in the below statement.

Name & Category of Director	Category of Directors	No. of Board Meetings attended	Whether attended the last AGM	Details of membership in Committees of the Board*		Share Holding of Non-Executive Directors (Equity Shares)	Number of Directorships in other Public Limited Companies
				Chairman	Member		
Mr. Jagdish Capoor Chairman	Independent Non-Executive	6	No	-	1	2,000	7
Mr. V. P Nandakumar (Managing Director & CEO)	Non-Independent, Executive (Promoter)	6	Yes	-	2	Not Applicable	5
Mr. B. N. Raveendra Babu	Non-Independent, Executive	6	Yes	-	1	Not Applicable	NIL
Adv. V. R. Ramachandran	Independent Non-Executive	6	Yes	1	1	15,98,000	NIL
Mr. P. Manomohanan	Independent, Non-Executive	6	Yes	2	1	10,43,582	NIL
Mr. Shailesh J. Mehta	Independent Non-Executive	6	Yes	1	2	5,00,000	4
Mr. E. A. Kshirsagar	Non-Independent, Non-Executive (Nominee Director of Baring India Pvt Equity Fund III Listed Investment Ltd - equity investor)	5	No	-	3	NIL	6
Mr. V. R. Rajiven	Independent, Non-Executive	6	Yes	1	4	10,600	NIL
Mr. Pradeep Saxena	Non-Independent, Non- Executive (Nominee Director of Hudson Equity Capital - equity investor)	6	Yes	-	-	NIL	2

Name & Category of Director	Category of Directors	No. of Board Meetings attended	Whether attended the last AGM	Details of membership in Committees of the Board*		Share Holding of Non-Executive Directors (Equity Shares)	Number of Directorships in other Public Limited Companies
				Chairman	Member		
Dr. Amla Samanta	Independent, Non-Executive	5	Yes	-	3	NIL	2
Mr.I Unnikrishnan*	Non-Executive Non-Independent	3	Yes		1	5,27,447	1

Membership of Audit Committee, Nomination, Compensation and Corporate Governance Committee, Stakeholder's Relationship Committee, CSR Committee and Risk Management Committee only are shown.

C. Change in the board of directors during FY 2015-16

*Mr. I. Unnikrishnan, Non- Executive Director of the Company resigned from the Board on 05th November 2015.

D. Information provided to the board members

The Board agenda with proper explanatory notes is prepared and circulated well in advance to all the Board members. All statutory and other matters of significant importance including information as mentioned in Section 179 of the Companies Act, 2013 and Regulation 17 read with Part A of Schedule II of the SEBI (LODR) Regulations, 2015 are tabled before the Board to enable it to discharge its responsibility of strategic supervision of the Company.

The Board periodically reviews the statement submitted by the unlisted subsidiaries on all significant transactions and arrangements entered into by it during that period. The Board also reviews periodical compliances of all applicable laws, rules and regulations. At the Board Meeting, members have full freedom to express their opinion and decisions are taken after detailed deliberations.

COMMITTEES OF THE BOARD

The Board has constituted sub-committees of the Board. Each Committee of the Board functions according to the terms of reference as approved by the Board. Meeting of each sub-committee is convened by the respective Committee Chairman. The composition and terms of reference of these sub-committees including the number of meetings held during the financial year and the related attendance are given below:

A. Audit Committee

The Company has constituted a qualified and independent Audit Committee as required under Section 177 of the Companies Act, 2013, and Regulation 18 of the SEBI (LODR) Regulations, 2015. The Committee also fulfils the provisions of Corporate Governance Directions, 2015 issued by the Reserve Bank of India. The Committee has four members eminently qualified to handle accounts, finance, audit and legal matters. The Company Secretary acts as the Secretary of the Audit Committee.

The Audit Committee met five times during FY 2015-16 viz. 13-05-2015, 13-08-2015, 04-11-2015, 11-02- 2016 and 10-03-2016. The constitution, record of attendance of meetings and other details of the Audit Committee of the Company are below:

Composition, Meetings and Attendance:

Sl. No.	Name of the Member	Position	Category of Directors	Number of meetings during the financial year 2015 -16	
				Held	Attended
1	Mr. P. Manomohanan	Chairman	Independent, Non-Executive	4	4
2	Dr. Shailesh J Mehta	Member	Independent, Non-Executive	4	4
3	Mr. E.A. Kshirsagar	Member	Non-Independent, Non-Executive	4	3
4	Mr. V.R.Rajiven	Member	Independent, Non-Executive	4	4
5	Dr. Amla Samanta	Member	Independent, Non-Executive	4	3

Terms of Reference of Audit Committee:

- Oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board the appointment, reappointment, and if required, the replacement or removal of the statutory auditor and the fixation of audit fee.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing with management the annual financial statements before submission to the Board for approval with particular reference to:
 - Matters required to be included in the Directors Responsibility Statement to be included in the board's report in terms of clause(C) of Sub-section 3 of section 134 of the Companies Act 2013.
 - Changes if any in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on the exercise of judgment by management.
 - Significant adjustment made in the financial statement arising out of audit findings.
 - Compliance with listing and other legal requirements relating to the financial statements.
 - Disclosure of any related party transactions.
 - Qualifications in the draft audit report.
- Reviewing with the management the quarterly financial statements before submission to the board for approval.
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions 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;
- Reviewing with the management performance of the statutory and internal auditors and adequacy of the internal control system.
- Reviewing the adequacy of internal audit function if any including the structure of internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

14. Discussion with internal auditors regarding any significant findings and follow-up thereon.
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
16. Discussion with statutory auditors before audit commences about the nature and scope of audit as well as post-audit discussions to ascertain any area of concern.
17. To look into the reasons for substantial defaults in the payments to the depositors, debenture-holders, shareholders (in case of non-payment of declared dividends) and creditors.
18. To review the function of whistle blower mechanism in case the same exists.
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Monitoring the end use of funds raised through public offers and related matters.

Audit Committee also reviews and recommends to the Board of Directors, Quarterly and annual report on frauds in terms of RBI Master Circular on Frauds – Future approach towards monitoring of frauds in NBFCs and complaints received under the Prevention of Sexual Harassment against Women in Work Place Act, 2012.

B. Nomination, Compensation & Corporate Governance Committee

The Nomination, Compensation and Corporate Governance Committee of the Company was constituted to oversee the Compliance with the Reserve Bank of India's Circular No. DNBS/ PD/CC/94/03.10.042/2006-07 dated May 08, 2007 to ensure that eminent and experienced persons are appointed as directors. The Committee was reconstituted on December 23, 2014. The Committee also meets the requirements of Section 178 of the Companies Act, 2013, Regulation 19 of the SEBI (LODR) Regulations, 2015 and RBI Corporate Governance Directions, 2015.

Composition, Meeting & Attendance:

Name of the Member	Position	Category of Directors	No. of meetings held during FY2015-16	
			Held	Attended
Mr. Shailesh Mehta	Chairman	Independent, Non-Executive	4	4
Mr. Jagdish Capoor	Member	Independent, Non-Executive	4	4
Mr. Rajiven.V.R	Member	Independent, Non-Executive	4	4
Mr. E.A. Kshirsagar	Member	Non-Independent, Non-Executive	4	4

Terms of Reference of Nomination, Compensation and Corporate Governance Committee

Considering the statutory provisions of Section 178 of the Companies Act, 2013, Regulation 19 of SEBI (LODR) Regulations, 2015 and RBI Corporate Governance Directions, 2015, the roles and responsibilities of the committee can be classified into three broader categories such as;

- i. of nomination
- ii. of fixation of remuneration and performance evaluation
- iii. of Governance

The committee shall effectively discharge its roles and responsibilities in the following manner.

I. Role of Nomination

- a) Recommend to the Board a broader policy describing the qualification, experience and other positive attributes for selection of Executive/whole time directors including their age of retirement.

- b) Formulation of guiding principles to determine the qualities, qualifications, and the parameters to determine the 'fit and proper' criteria for appointment of independent Directors keeping in mind the diversity quotient the company's board shall maintain from time to time and subject to the applicable regulatory requirements.
- c) Filling in a timely manner vacancy on the board of the company including the position of executive/whole time directors.
- d) Selection of directors, key management personnel and persons to be appointed in senior management positions as defined by the board and recommend to the board for their appointment and removal thereof.

II. Role of Fixing Remuneration and Evaluation of performance

- a. Recommend to the Board a policy relating to the remuneration for the directors, key managerial personnel and other employees from time to time. The policy as aforesaid shall ensure that-
 - 1. 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;
 - 2. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - 3. remuneration to directors, key managerial personnel 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;
- b. Review the performance of individual directors of the company on a yearly basis at the end of each financial year or at such periodicity as the committee deem fit and recommend to the board on the basis of such review, whether a director to be recommended for re-appointment or not.
- c. Review the performance of the Executive/Whole time Directors of the company and fix suitable compensation packages in consideration of their performance, contributions, the general business environment in which the company operates and financial position of the company. The remuneration package may be a combination of fixed and performance based bonus/incentives for the period under review.
- d. On annual basis, review along with the management the performance of Key managerial personnel and senior management persons on a periodical basis and fix their remuneration packages in accordance with the policies approved by the Board.

III. Role on ensuring Compliance on governance standards.

- a. Ensure at all times, the board of the company has a fair combination of independent, non-executive and executive directors meeting the governance standards set by the board and in compliance with regulatory requirements, listing regulations, etc. prevailing from time to time.
- b. Ensure that the organization structure and flow of command meets the governance standard set for the internal management of the company.
- c. Oversee the refreshment trainings for directors on relevant subject.
- d. Ensure that the independence of independent directors is always maintained and to ensure that there are no situations which suggest the existence of circumstances resulting in the loss of independence of any directors of the company.
- e. Formulate subject to the provisions of applicable laws, policies and procedure for determining the retirement and re-appointment of independent and other directors on the board of the company.
- f. Ensure at all times the sub committees of the Board is functioning and are constituted according to the regulatory requirements and governance policies of the company.
- g. Oversee the overall governance standards and policies of the company and delegation of authorities to match with the best practices in relation to the size of the company and the level of its operations to protect the interest of all stake holders.

IV. Others.

The committee also carry outs the following additional roles:

- Review and recommend the fit and proper criteria of existing directors on a continuing basis to the Board.
- Review and recommend the employees stock option schemes/plans to the Board and administer such schemes.
- Recommend the appointment of directors in the Subsidiaries.
- Provide guidelines for remuneration and fix performance evaluation criteria of directors of Subsidiaries.
- Performing such other functions as may be delegated to it by the Board or prescribed under any law, rules, regulations or orders or directions of any statutory or regulatory body including stock exchanges where the securities of the company are listed.

Remuneration of Directors

a) There is no pecuniary relationship or transactions of the non-executive directors vis-à-vis the company.

b) Criteria of making payments to non-executive directors:

While considering the level of commission payable to the independent, non-executive directors, the Nomination, Compensation and Corporate Governance Committee take into account of various factors such as attendance, level of participation, contribution to the meetings and its decision making, continuity on the board, and performance appraisal questionnaire, etc. There is no relationship between Directors inter-se.

c) Disclosures with respect to Remuneration:

Independent, Non-Executive Directors: -

SI No	Name of Directors	Commission	Sitting Fee	ESOS
1	Mr. Jagdish Capoor	36,00,000.00	4,00,000.00	Nil
2	Mr. P.Manomohanan	21,60,000.00	5,15,000.00	Nil
3	Mr. Shailesh J Mehta	36,00,000.00	6,15,000.00	Nil
4	Mr. V.R.Rajiven	18,00,000.00	7,20,000.00	Nil
5	Adv. V.R.Ramachandran	14,40,000.00	3,45,000.00	Nil
6	Dr. Amla Samanta	Nil	3,35,000.00	Nil

** Mr. I Unnikrishnan was in receipt of Rs. 1,35,000 as sitting fee during F.Y. 2015-16*

Non-Independent, Executive Directors: -

SI No	Name of Directors	Salary	Commission	Benefits/ provident Fund	Bonus	Sitting Fee	ESOS
1	Mr. V.P Nandakumar	35,116,676.00	20,00,000.00	3855012.00	8400.00	Nil	Nil
2	Mr. B.N.Raveendra Babu	9,815,327.00	4,00,000.00	1079412.00	8400.00	Nil	Nil

The above mentioned salary to non-independent, Executive Directors are the only fixed component of remuneration and performance linked incentive/commission paid for the FY 2015-16 based on the evaluation of performance criteria fixed by the Nomination, Compensation and Corporate Governance Committee are detailed below;

Performance Evaluation Parameter for MD & CEO:

Parameters	Target	Weight
AUM	Rs. 11,000.00 Cr	15%
PAT	Rs.350.00 Cr	30%
ROE	12%	25%
OPEX	Rs.735.00 Cr	10%
Auction Loss on % of Discharge	4% Discharge	10%
Strengthening the Management under MD	—	10%*
Total Weight		100%

*To be determined based on the professional advice.

Performance Evaluation Parameter for Others:

Parameters	Target	Weight
AUM	Rs. 11,000.00 Cr	30%
PAT	Rs.350.00 Cr	30%
ROE	12%	5%
OPEX	Rs.735.00 Cr	20%
Auction Loss on % of Discharge	4% Discharge	15%
Total Weight		100%

d) Service Contracts, Notice Period, Severance Fees: Nil**Stakeholders Relationship Committee**

The company has constituted Stakeholders Grievance Committee in line with the provisions of Regulation 20 of SEBI (LODR) Regulations, 2015 and Section 178 of the Companies Act, 2013 to monitor the securities holders and investor complaints / grievances and also to ensure quick redressal of investor complaints associated with transfer/ transmission / dematerialization of shares, non-receipt of Balance Sheet, Dividend warrants etc. The committee was re-designated as Stakeholder Relationship Committee. The Committee shall consist of a chairperson who shall be a non-executive director and such other members as may be decided by the Board.

Composition, Meetings & Attendance:

Name of the Member	Position	Category of Directors	Number of meetings during the financial year 2015 -16	
			Held	Attended
Adv.V.R.Ramachandran	Chairman	Independent, Non-Executive	4	4
Mr.V.R.Rajiven	Member	Independent, Non-Executive	4	4
Mr.P. Manomohanan	Member	Independent, Non-Executive	4	4

Scope:

Committee was constituted to specifically look into the redressal of shareholder and investors complaints / grievances like transfer and transmission of securities, non-receipt of annual report / notice / declared dividends / interest / redemption amount, etc. and all other securities-holders related matters.

Name, designation and address of Compliance Officer:

Mr. Ramesh Periasamy
 Company Secretary
 Manappuram Finance Limited
 IV/470A(old) W638A(New)
 Manappuram House
 P.O - Valapad, Thrissur District,
 Kerala, India -680 567
 Phone – 0487 3104500, 3050408/417
 E-Mail - cosecretary@manappuram.com

Details of investor complaints received and redressed during the financial year 2015- 16 are as follows:

Nature of Security	Complaints pending at the beginning of the period ended 31.03.2015	Complaints received during the period ended 30.06.2015	Complaints disposed and resolved at the end of the quarter	Complaints unresolved at the end of the quarter
Equity	Nil	Nil	Nil	
Private placement-Retail NCD	Nil	Nil	Nil	Nil
Private Placement-Institutional NCD	Nil	Nil	Nil	Nil
Public Issue of Bonds	Nil	Nil	Nil	Nil
Complaints registered in SCORES	Nil	Nil	Nil	Nil

Nature of Security	Complaints pending at the beginning of the period ended 30.06.2015	Complaints received during the period ended 30.09.2015	Complaints disposed and resolved at the end of the quarter	Complaints unresolved at the end of the quarter
Equity	Nil	Nil	Nil	Nil
Private placement-Retail NCD	Nil	Nil	Nil	Nil
Private Placement-Institutional NCD	Nil	Nil	Nil	Nil
Public Issue of Bonds	Nil	Nil	Nil	Nil
Complaints registered in SCORES	Nil	Nil	Nil	Nil

Nature of Security	Complaints pending at the beginning of the period ended 30.09.2015	Complaints received during the period ended 31.12.2015	Complaints disposed and resolved at the end of the quarter	Complaints unresolved at the end of the quarter
Equity	Nil	1	1	Nil
Private placement-Retail NCD	Nil	2	2	Nil
Private Placement-Institutional NCD	Nil	Nil	Nil	Nil
Public Issue of Bonds	Nil	52	52	Nil
Complaints registered in SCORES	Nil	2	2	Nil

Nature of Security	Complaints pending at the beginning of the period ended 31.12.2015	Complaints received during the period ended 31.03.2016	Complaints disposed and resolved at the end of the quarter	Complaints unresolved at the end of the quarter
Equity	Nil	3	3	Nil
Private placement-Retail NCD	Nil	Nil	Nil	Nil
Private Placement-Institutional NCD	Nil	Nil	Nil	Nil
Public Issue of Bonds	Nil	13	13	Nil
Complaints registered in SCORES	Nil	2	2	Nil

D. Corporate Social Responsibility Committee (CSR Committee)

The Company has constituted Corporate Social Responsibility Committee (CSR Committee) in line with the provisions of Section 135 of the Companies Act, 2013 which has substantial roles and responsibilities in respect of projects to be recommended to the board and also for the monitoring of the CSR projects and reporting. Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board.

Composition, Meetings & Attendance:

Name of the Member	Position	Category of Directors	Number of meetings during the financial year 2015 -16	
			Held	Attended
Mr. Rajiven.V.R	Chairman	Independent, Non-Executive	3	3
Mr. V.P.Nandakumar	Member	Non-Independent, Executive	3	3
Adv. V.R.Ramachandran	Member	Independent, Non-Executive	3	3
Dr. Amla Samanta	Member	Independent, Non-Executive	3	1

Role of the CSR Committee include: -

- i. Review and recommend any new CSR initiatives to be taken up by the company including the selection / appointment of implementation agencies.
- ii. Review the progress of CSR projects already undertaken by the company and the utilization of budgets for each such projects
- iii. Review and recommend the CSR report to be included in the board's report.
- iv. Review and recommend any amendments to be made in the CSR policy of the Company.
- v. To carry such other functions as may be delegated to it by the board relating to CSR activities of the company.

E. RISK MANAGEMENT COMMITTEE (RMC)

The Company has constituted Risk Management Committee (RMC) in line with the provisions of Regulation 21 of SEBI (LODR) Regulations, 2015 and RBI Corporate Governance Directions, 2015.

The committee reviews the Risk Management Policy, document and improve risk management practices, ensure appropriate / adequate reporting to the Board, manage the integrated risk, review the functioning of the Risk Management Department and any other matter as the Committee may deem fit. The Committee is involved in the process of identification, measurement, monitoring and mitigation of the various risks faced by the Company. The RMC shall meet at least twice in a year and reports to the Board.

Composition, Meetings & Attendance:

Name of the Member	Position	Category of Members	Number of meetings during the financial year 2015 -16	
			Held	Attended
Mr. P. Manomohanan	Chairman	Independent, Non-Executive	1	1
Mr. Shailesh J Mehta	Member	Independent, Non-Executive	1	1
Mr. E.A.Kshirsagar	Member	Non-Independent, Non-Executive	1	1
Mr. Rajiven V.R.	Member	Independent, Non-Executive	1	1
Mr. V.P.Nandakumar	Member	Non-Independent, Executive		
Dr. Amla Samanta	Member	Independent, Non-Executive	1	0
Mr. I. Unnikrishnan*	Member	Non-Independent, Non-Executive	1	1
Mr. B.N.Raveendra Babu**	Member	Non-Independent, Executive	1	0
Head – Risk Management Department	Invitee	Management Official	1	1

(* Mr. I Unnikrishnan resigned from Company w.e.f. 05th November 2015)

**Mr. B.N.Raveendra Babu was added as Member by the Board at its meeting held on 05th November 2015)

Scope of RMC

- A) RMC reviews the risk management framework and risk appetite of the Company, examine the adequacy and effectiveness of the risk management policy, and ensure appropriate / adequate reporting to the Board with recommendations where required. To this effect the RMC will:
- i) Oversee the development and implementation of the risk management strategy and practices by the Company and assess the effectiveness thereof.
 - ii) Ensure that the Company has an appropriate and effective mechanism to identify, measure, control and monitor all applicable risks on a timely basis and as accurately as feasible.
 - iii) Call for appropriate data / information to confirm the risk assessments of the past or projections for the future including development of any key performance or risk tolerance indicators.

- iv) Ensure that the risk management policy in force is in tune with regulatory requirements, corporate governance standards, emerging new risks and industry best practices.
 - v) Review major breaches in policy.
 - vi) Appraise uncovered / residual risks to the Board.
 - vii) Assess the capacity of the Company to withstand major 'shocks', financial or otherwise, caused by market forces, regulatory directives, environment, any other external factors or internal upheavals.
- B) The RMC shall be empowered to call for any studies, information, data or analyses in matters pertaining to management of risk from the officers of the Company, issue orders for investigation on any risk related subject including constitution of any sub-committee for such purpose and seek the opinions or reports of independent experts / professionals where considered desirable or essential.

F. Asset- Liability Management Committee (ALCO):

The Company has constituted Asset- Liability Management Committee (ALCO) in line with provisions of RBI Corporate Governance Directions, 2015 and Asset Liability Management (ALM) System for NBFCs – Guidelines. Reserve Bank of India has stipulated templates for reporting Structural liquidity (ALM-1) Dynamic Liquidity (ALM-2) and Interest Rate Sensitivity (ALM-3) and provided indicative formats for compiling the figures. ALCO will use the indicative formats for compiling the figures and the Reports on ALM 1, ALM 2 and ALM 3 for reviewing the liquidity and interest rate risk. The Member-Secretary will arrange for convening the meetings of ALCO once a month or as and when needed depending upon the necessity.

Composition of Committee:

Name of the Member	Position	Designation of Members
Mr. V P. Nandakumar	Chairman	MD & CEO
Mr. B.N. Raveendra Babu	Member	Executive Director
Mr. Kapil Krishan	Member	Chief Financial Officer
Mr. Ramesh Rangorth	Member	Head - Risk & Internal Audit
Mrs. Bindu A.L	Invitee	CGM-Finance & Accounts
Mr. Mohan Vizhakat	Invitee	Chief Technology Officer

Terms of Reference of Asset- Liability Management Committee (ALCO):

- I. The committee shall transact the following business;
 - a. Management of liquidity position, long term and short term.
 - b. Review of ALM Returns to be submitted to RBI.
 - c. Decision on disposal of surplus funds of the company for shorter durations (up to 6 months).
 - d. Pricing of the products of the company depending upon the cost and benefit analysis both on the asset side and liability side of the balance sheet.
 - e. Notwithstanding anything stated herein above, the committee shall consider and discharge such other functions as may be necessary for the day to day management of the company or such other functions as may be directed by RBI from time to time.
- II. CEO of the company shall act as the chairman of the committee and in his absence Executive Director shall chair the meeting.
- III. The committee shall have power to invite such other officers or employees of the company as and when required.
- IV. The committee shall function under the overall supervision of the risk management committee of the Board.
- V. CFO shall act as the member secretary of the committee.

Discussion paper covering the following areas will be deliberated by ALCO namely;

1. Liquidity risk management
2. Management of market risk
3. Funding and capital planning
4. Profit planning and growth projection
5. Forecasting and analyzing 'What if scenario' and preparation of contingency plans

G. SECURITIES TRANSFER COMMITTEE

The Company has constituted Securities Transfer committee to approve /authenticate security transfer requisitions submitted by the RTA in respect of listed securities and the transfer requisitions submitted to the Company, in respect of unlisted securities.

Composition of Committee:

Name of the Member	Position	Category of Membrs
Mr.V.P.Nandakumar	Chairman	Non-Independent, Executive
Mr.B.N.Raveendra Babu	Member	Non-Independent, Executive
Mr.Ramesh Periasamy	Member	Company Secretary

H. Financial Resource & Management Committee

The Financial Resources and Management Committee has been constituted by the Board of Directors to facilitate the day to day management of the company.

Composition of Committee:

Name of the Member	Position	Category of Membrs
Mr.V.P.Nandakumar	Chairman	Non-Independent, Executive
Mr.B.N.Raveendra Babu	Member	Non-Independent, Executive

The committee's function is to oversee and deal with the following operational matters from time to time

- a) The committee shall meet as and when it becomes necessary to consider urgent matters coming up between two board meetings and requiring Board's sanction.
- b) The quorum for the meeting of the committee shall be 2 members.

Functions and duties

The committee shall be responsible for overseeing and dealing with operational matters from time to time. Such matters include: -

(i) Investments

- (a) To deliberate and make recommendation to the Board on all transactions and matters relating to the business of the company or its investments.
- (b) Dispose the short term surplus of the company in eligible short term investment instruments and securities with a maturity period of not more than one year as recommended by the ALM committee of the company or to meet any statutory obligations or cash collaterals as part of lending arrangement or as caution deposits and also to authorize officers or directors for the purpose.

(ii) Financial Arrangements

- a) Approve financial arrangements whether as working capital demand loans or against assignment of receivables of the company or buy out of portfolios or by such other means with banks and other financial

institutions including the signing of such documents for facilities within the borrowing powers of the Board.

- b) Approve the creation of any mortgage/charge or other encumbrance over the company's properties or assets for the above purposes.
- c) Approve the issuing or providing or permitting the company to issue or provide any form of guarantee or indemnity or other financial or non-financial support in the ordinary course of business.
- d) To consider the issue of commercial papers and other short term or long term instruments for raising funds from the market.
- e) Authorize changes in signatories in respect of accounts maintained by the company with banks and other financial institutions.
- f) Authorisation for opening, operation and Closing of Bank Accounts in different centres for different branches.

(iii) Allotment of Debentures and Bonds

Approve the allotment of debentures and bonds issued by the company within in the overall limit set for the issue and the creation/modification/satisfaction of mortgage/charge on such debentures/bonds as the case may be.

(iv) Others

- a) Authorizing officers of the company for making necessary application for registration under different enactments for employee welfare, fiscal and other municipal or local or subordinate legislations.
- b) Authorizing officers of the company by grant of power of attorneys or by resolution so as to represent before Government, Judicial or quasi-judicial bodies or other authorities for sanction, approval or other permissions on such matters affecting the business of the company.
- c) Authorizing officers of the company by grant of power of attorneys or by way of resolution for matters in connection with day to day business activities, opening of branches, execution of rent/tenancy agreements, represent the company before any statutory or regulatory bodies.

Reporting to the Board of Directors;

A summary of the business transacted by the committee as initialled by the Company Secretary shall be presented to the succeeding board meeting for the purpose of noting and recording.

I. Debenture Committee

The Debenture Committee has been constituted by the Board of Directors for public Issuance of debentures of the company.

Composition of Committee:

Name of the Member	Position	Designation of Members
Mr.V.P Nandakumar	Chairman	MD & CEO
Mr.B.N.Raveendra Babu	Member	Executive Director
Mr.Kapil Krishan	Member	Chief Financial Officer
Ms.Bindu A.L	Member	CGM-Finance & Accounts
Mr.Ramesh Periasamy	Member	Company Secretary

The functions of the Debenture Committee include:

- (i) authorization of any director or directors of the Company or other officer or officers of the Company, including by the grant of power of attorneys, to do such acts, deeds and things as such authorized person in his/her/its absolute discretion may deem necessary or desirable in connection with the issue, offer and allotment of the Bonds;

- (ii) giving or authorizing the giving by concerned persons of such declarations, affidavits, certificates, consents and authorities as may be required from time to time;
- (iii) appointing the lead managers to the issue in accordance with the provisions of the Debt Regulations;
- (iv) seeking, if required, any approval, consent or waiver from the Company's lenders, and/or parties with whom the Company has entered into various commercial and other agreements, and/or any/all concerned government and regulatory authorities in India, and/or any other approvals, consents or waivers that may be required in connection with the issue, offer and allotment of the Bonds;
- (v) deciding, approving, modifying or altering the pricing and terms of the Bonds, and all other related matters, including the determination of the size of the Bond issue up to the maximum limit prescribed by the Board and the minimum subscription for the Issue;
- (vi) approval of the draft and final prospectus or disclosure document as the case may be (including amending, varying or modifying the same, as may be considered desirable or expedient) as finalized in consultation with the lead managers, in accordance with all applicable laws, rules, regulations and guidelines;
- (vii) seeking the listing of the Bonds on any Indian stock exchange, submitting the listing application to such stock exchange and taking all actions that may be necessary in connection with obtaining such listing;
- (viii) appointing the registrar and other intermediaries to the Issue, in accordance with the provisions of the Debt Regulations;
- (ix) finalization of arrangement for the submission of the draft prospectus to be submitted to the Stock Exchange(s) for receiving comments from the public and the prospectus to be filed with the Stock Exchange(s), and any corrigendum, amendments supplements thereto;
- (x) appointing the debenture trustee and execution of the trust deed in connection with the Issue, in accordance with the provisions of the Debt Regulations;
- (xi) authorization of the maintenance of a register of holders of the Bonds;
- (xii) finalization of the basis of allotment of the Bonds including in the event of oversubscription;
- (xiii) finalization of the allotment of the Bonds on the basis of the applications received;
- (xiv) acceptance and appropriation of the proceeds of the Issue; and
- (xv) to generally do any other act and/or deed, to negotiate and execute any document/s, application/s, agreement/s, undertaking/s, deed/s, affidavits, declarations and certificates, and/or to give such direction as it deems fit or as may be necessary or desirable with regard to the Issue.

GENERAL BODY MEETINGS

Details of the last three Annual General Meetings of the Company are given below:

Year	Date	Time & Place	Details of Special Business
2015	August 6	10.30.a.m Anugraha Auditorium Valapad Thrissur	1. Appointment of Dr. Amla Samanta (DIN: 00758883) as an Independent Director of company 2. Raising of Fund through Private Placement of Secured Redeemable Convertible Debenture 3. Payment of Commission to Non Executive Directors 4. Ratification of Commission paid to Non- Executive Directors for the FY 2013-14 and 2014-15

2014	July 31	10.30.a.m Anugraha Auditorium Valapad Thrissur	1. Appointment of Mr. Jagdish Capoor as an independent director for a period of five years 2. Appointment of Adv. V.R. Ramachandran as an independent director for a period of five years. 3. Appointment of Mr. Shailesh J Mehta as an independent director for a Period of five years. 4. Appointment of Mr. P.Manomohanan as an independent director for a Period of five years. 5. Appointment of Mr. V.R.Rajiven as an independent director for a Period of five years. 6. Appointment of Mr. Pradeep Saxena as a director of the Company. 7. To approve Related Party Transactions- Payment of donation to Manappuram Foundation. 8. To approve Related Party Transactions- Contracts or arrangements for Leasing of land and buildings. 9. To approve Related Party Transactions- Contracts or arrangements with wholly owned subsidiary company Milestone Home Finance Company Private Ltd. 10. Raising of fund through Private Placement of Redeemable Non Convertible Debentures (NCD).
2013	August 10	10.30.a.m Anugraha Auditorium Valapad Thrissur	1. Retirement by rotation of Mr. Shailesh J Mehta 2. Retirement by rotation of Dr. V.M. Manoharan 3. Retirement by rotation of Mr. P. Manomohanan 4. Appointment of Mr. V.R.Rajiven as a director of the Company

Details of Special Resolutions passed in the previous three Annual General Meetings:

Year	2013	2014	2015
Special Resolutions Passed during AGMs	Appointment of Mr. V.R. Rajiven as a Director of the Company	Appointment of Mr. Pradeep Saxena as a Director of the Company.	1. Raising of Fund through Private Placement of Secured Redeemable Convertible Debenture 2. Ratification of Commission paid to Non- Executive Directors for the FY 2013-14 and 2014-15

Extraordinary General Meeting held during the financial year Details are given below:-

Year	Date	Time & Place	Details of Special Business
Nil	Nil	Nil	Nil

Details of Postal Ballot held during the Financial Year: -

Year	Date	Details of Special Business and details of voting pattern of Special Resolutions:	
2015	30 th November	1. Amendment to Main Object Clause of the Memorandum of Association	
		Voting Pattern:	
		In Favour	Against
		Number of Votes Cast	
		E Voting	18,01,38,423
		Postal Ballot	28,12,64,388
		Total Votes Cast	46,14,02,811
		% of Valid Votes Cast	100%
		2. Raising of Fund through Private Placement of Secured Redeemable Non-Convertible Debentures ('NCDs')	
		Voting Pattern:	
		In Favour	Against
		Number of Votes Cast	
		E Voting	17,98,35,133
		Postal Ballot	28,12,34,373
		Total Votes Cast	46,10,69,506
		% of Valid Votes Cast	99.93%

Mr. Sathish.V, Practicing Company Secretary (C.P. No.8343) conducted the postal ballot / e-voting process in a fair and transparent manner as the Scrutinizer.

No special resolution is proposed to be conducted through postal ballot at the AGM to be held on August 09, 2016.

MEANS OF COMMUNICATION

The Company publishes the un-audited / audited financial results on quarterly basis in accordance with the provisions of SEBI (LODR) Regulations, 2015.

The financial results in the prescribed format are published in leading newspapers including Business Line, Mathrubhumi etc. Other major announcements pertaining to Book Closure / record date, Board Meetings, postal ballot, etc. are also published as above. The Company has its website at www.manappuram.com wherein relevant information about the Company and its performance including board approved policies / code are given. The financial results of the Company are also posted on the web site. Detailed presentations made to institutional investors / analysts on overall performance of the Company is also posted in its website on a quarterly basis for the benefit of investors and other stake holders.

GENERAL SHAREHOLDER INFORMATION

Annual General Meeting	Date: August 09, 2016 Time: 09.30 am Place: Anugraha Auditorium, Valapad PO, Thrissur, Kerala - 680567
Financial Year	2015-16
Dividend Payment Date	NA (No final dividend recommended by the Board)
Listing on Stock Exchanges	Bombay Stock Exchange (BSE) 25 th floor, P. J. Towers, Dalal Street, Mumbai - 400 001 National Stock Exchange (NSE) Exchange Plaza, C-1, Block G Bandra Kurla Complex Bandra (East), Mumbai 400 051
Stock Code	BSE- 531213, NSE- MANAPPURAM
Corporate Identity Number (CIN)	L65910KL1992PLC006623
Registrar and Share Transfer Agents	M/s SKDC Consultants Limited Kanapathy Towers, 3rd Floor, 1391/A-1, Sathy Road Ganapathy PO, Coimbatore- 641 006 Ph: 0422 6549995, 0422 2539835 Email: info@skdc-consultants.com
Compliance Officer	Mr.Ramesh Periasamy Company Secretary Ph: 0487-3050408 Email: cosecretary@manappuram.com
Company Address	Manappuram Finance Limited, IV/470A (OLD) W 638A (NEW) Manappuram House Valapad PO, Thrissur-680 567 Kerala Phone: 0487- 3050108, 3050000. Fax 0487- 2399298 Email: mail@manappuram.com

PAYMENT OF LISTING FEES

Annual listing fee for FY 2016-17 has been paid by the Company to BSE and NSE.

PAYMENT OF DEPOSITORY FEES

Annual Custody/Issuer fee for FY 2016-17 has been paid by the Company to NSDL and CDSL.

MARKET PRICE DATA:

Share Price Movements of the Company [BSE] during each month of FY 2015-16

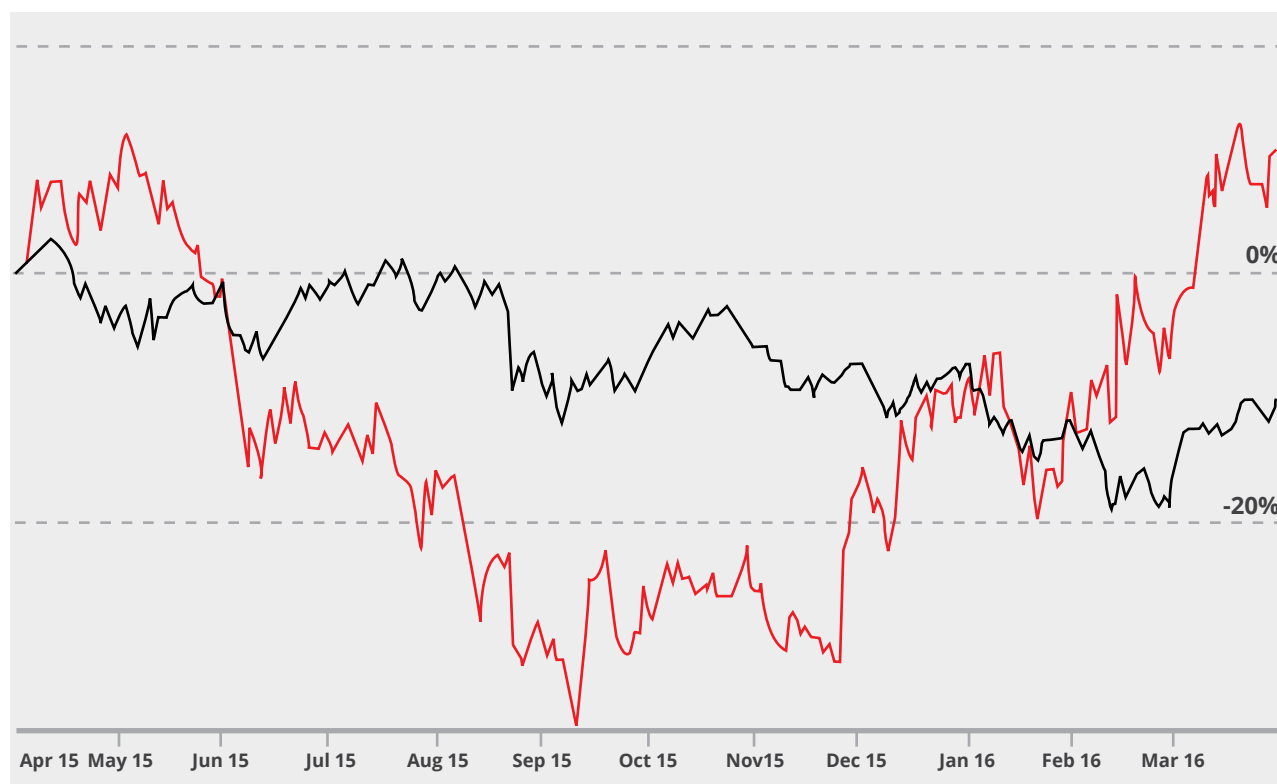
Month	Open	High	Low	Close	No. of Shares	No. of Trades	Total Turnover	Deliverable Quantity	% Deli. Qty to Traded Qty	* Spread	
										H-L	C-O
Apr-15	32.4	35.25	31.8	34.65	1,806,957	13,942	61,591,784	976,410	54.04	3.45	2.25
May-15	35.25	38	31.5	31.6	3,162,933	17,616	108,983,647	1,566,287	49.52	6.5	-3.65
Jun-15	31.6	32.5	26.6	28.1	2,694,895	11,377	77,408,366	1,303,061	48.35	5.9	-3.5
Jul-15	28.2	30.05	24.55	27.05	4,410,055	10,598	119,994,554	2,784,003	63.13	5.5	-1.15
Aug-15	26.6	27.35	20.2	23.25	4,293,593	18,388	106,013,559	2,018,078	47	7.15	-3.35
Sep-15	23.7	26.15	19.75	24.05	18,338,947	33,808	434,459,994	11,201,776	61.08	6.4	0.35
Oct-15	24.45	25.55	23.05	24.25	5,233,645	13,816	127,664,236	2,371,727	45.32	2.5	-0.2
Nov-15	24.1	27.1	22.15	26.55	26,339,441	26,584	620,979,405	17,058,022	64.76	4.95	2.45
Dec-15	26.8	30.2	24.6	29.5	17,577,005	40,528	489,115,080	6,314,670	35.93	5.6	2.7
Jan-16	29.3	31.05	25.95	28.6	9,946,946	28,146	285,169,292	3,902,561	39.23	5.1	-0.7
Feb-16	28.2	32.75	26.2	30.2	11,903,280	36,016	353,190,886	6,164,950	51.79	6.55	2
Mar-16	31.15	36.4	30.35	34.95	5,285,505	22,688	181,539,011	2,476,133	46.85	6.05	3.8

Share Price Movements of the Company [NSE] during each month of FY 2015-16

Month	Open	High	Low	Close	Total Traded Quantity	Turnover in Lacs	No. of Trades	Deliverable Quantity
Apr-15	32.45	35.25	31.70	34.70	15,336,543.00	5,224.53	93,826.00	9,469,572.00
May-15	34.35	39.30	31.50	31.65	23,612,289.00	8,148.83	106,788.00	12,691,089.00
Jun-15	31.70	32.50	26.60	28.20	18,560,380.00	5,329.30	94,381.00	10,811,034.00
Jul-15	28.40	30.05	25.00	27.15	21,879,441.00	6,035.39	86,108.00	12,773,641.00
Aug-15	27.00	27.45	21.10	23.20	33,811,465.00	8,328.92	139,180.00	22,882,587.00
Sep-15	23.20	26.10	19.80	24.05	108,126,261.00	24,962.40	194,343.00	65,489,662.00
Oct-15	24.25	25.10	23.10	24.20	27,464,165.00	6,705.03	79,573.00	15,660,059.00
Nov-15	24.10	27.15	22.15	26.60	69,429,338.00	16,557.22	122,448.00	40,264,919.00
Dec-15	26.70	30.15	24.50	29.45	89,200,747.00	24,730.00	254,177.00	42,659,517.00
Jan-16	29.45	31.05	26.00	28.60	62,546,691.00	17,917.83	159,742.00	35,358,771.00
Feb-16	28.65	32.70	26.10	30.15	64,102,513.00	19,257.79	187,646.00	40,006,248.00
Mar-16	30.40	36.30	30.40	35.00	54,635,431.00	18,761.09	192,360.00	34,723,932.00

Performance of the Share Price in comparison to BSE Sensex

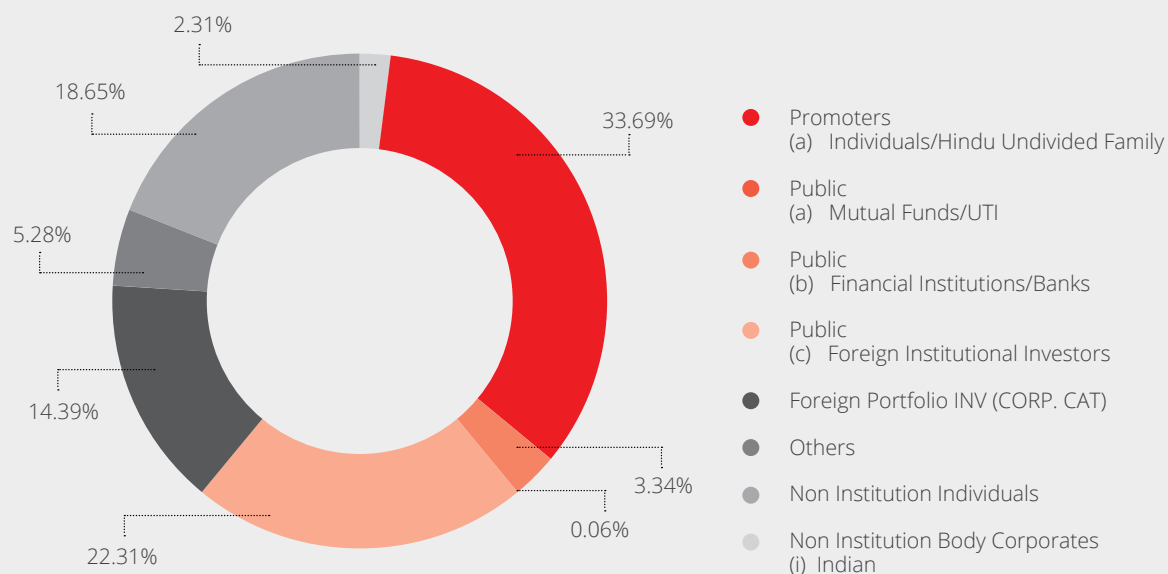
Here black-line indicates changes in share price of BSE SENSEX and Red-line indicates changes in share price of Manappuram



List of Top 10 Shareholders as on March 31, 2016:

Sl. No.	NAME	SHARES	%
1	MR. NANDAKUMAR V P	230939917	27.45
2	BARING INDIA PRIVATE EQUITY FUND III	79360973	9.43
3	SUSHAMA NANDAKUMAR	48000078	5.71
4	WF ASIAN RECONNAISSANCE FUND LIMITED	38130790	4.53
5	BARING INDIA PRIVATE EQUITY FUND II	26453439	3.14
6	ASHISH DHAWAN	24514818	2.91
7	HUDSON EQUITY HOLDINGS LIMITED	22616452	2.69
8	DSP BLACKROCK MUTUAL FUND	21947824	2.61
9	MORGAN STANLEY ASIA (SINGAPORE) PTE.	14631075	1.74
10	BRIC II MAURITIUS TRADING	12931619	1.54

Category of Shareholders



SHARE TRANSFER SYSTEM

The Company's shares are compulsorily in the Demat list and are transferrable through Depository System. Both the dematerialisation requests and physical share transfers are processed at the office of the Registrar and Transfer Agents of the Company, M/s. SKDC Consultants Limited.

Transfer of shares in physical form is normally processed within ten to twelve days from the date of receipt, if the documents are complete in all respects.

Distribution of share holding as on March 31, 2016:

Value (₹)	No. of Shareholders	%	Amount	%
Upto 5,000	55214	89.91	42422674	2.52
5,001 - 10,000	2548	4.15	19286584	1.15
10,001 - 20,000	1414	2.30	21814440	1.30
20,001 - 30,000	442	0.72	11186470	0.66
30,001 - 40,000	560	0.91	21161748	1.26
40,001 - 50,000	197	0.32	9124658	0.54
50,001 - 1,00,000	479	0.78	35985022	2.14
1,00,001 and above	557	0.91	1521432676	90.43

DEMATERIALISATION AND LIQUIDITY

The Company is a member of the depository services of the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for dematerialisation of its shares. As on 31/03/2016, 98.89% of the equity shares of the Company are in electronic form with the depositories as detailed below;

Category	No. of Shares	%	No. of S/h
National Securities Depository Ltd.	739668216	87.929	35979
Central Depository Services Ltd.	91827375	10.916	20833
Physical Holdings	9711545	1.154	680
Total	841207136	100.000	57492

Shareholders can get their shares dematerialised with either NSDL or CDSL. Through SKDC Consultants Limited, Registrars and Share Transfer Agents, the Company has established connectivity with both the depositories, that is, National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE522D01027.

Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion date and likely impact on equity: The Company has not issued any GDRs / ADRs / Warrants or any convertible instruments in the past and hence as on March 31, 2016, the Company does not have any outstanding GDRs / ADRs / Warrants or any convertible instruments.

No equity shares are in the suspense account / demat suspense account / unclaimed suspense account.

INTERIM DIVIDEND

Your Board has declared four interim dividends for the FY 2015-16 with an amount of 0.45 paise per equity share (face value Rs.2/- per share) in each quarter. The aggregate amount of Rs.1.80/- per shares in FY 2015-16, amounts to 90 percent of the paid up value of the shares.

PAYMENT OF UNCLAIMED OR UNPAID DIVIDEND

The Company has remitted all unclaimed and unpaid dividend up to FY 2007-08 to the Investor Education Protection Fund of Central Government. Dividends relating to subsequent financial years would be transferred to said account on the expiry of seven years after transfer of the same to unpaid dividend account as detailed below;

Details of Unpaid Dividend for the last Five Years:

Financial Year	Date of Declaration	Last date for claiming unpaid dividend
2008-09	30.04.2009	22.09.2016
2009-10	11.05.2010	25.08.2017
2010-11	28.04.2011	17.09.2018
2011-12 (Interim)	02.02.2012	04.03.2019
2011-12 (Final)	18.05.2012	02.09.2019
2012-13	09.08.2013	13.04.2020

OTHER DISCLOSURES

There were no materially significant related party transactions having potential conflict with the interests of the Company at large. Transactions with related parties are disclosed in Note 24 (notes forming part of financial statement).

The Company has complied with all the directives issued by stock exchanges and other statutory authorities. No penalties and strictures, during the last three years 2013-14, 2014-15 and 2015-16 were imposed on the Company by any of the regulatory authorities, viz. the Stock Exchange, SEBI, Reserve Bank of India, Registrar of Companies, for non-compliance with any laws, guidelines and directives during the year.

The Company has adopted the following policies in line with provisions of SEBI (LODR) Regulations, 2015 and its web link;

Policy for determining Material Subsidiaries –
<http://www.manappuram.com/files/Policy-for-determining-Material-Subsidiaries.pdf>

Policy for Determination of Materiality and Disclosure of Material Events / Information –
<http://www.manappuram.com/files/Policy-for-Determination-of-Materiality-and-Disclosure-of-Mater.pdf>

Policy on Preservation of Documents and Archival of Documents in the Company Website -
<http://www.manappuram.com/files/Policy-on-Preservation-of-Documents-and-Archival-of-Documents-in-the-Company-Website.pdf>

Policy on Materiality of Related Party and Manner of Dealing with Related Party Transactions –
<http://manappuram.com/files/Policy-on-Materiality-of-Related-Party-and-Manner-of-Dealing-With-Related-Party-Transactions.pdf>

Details in respect of SEBI settlement order dated September 23, 2015 Refer Boards Report Point No. 39(b)

The Company has duly fulfilled the following discretionary requirements as prescribed in Schedule II Part E of the SEBI (LODR) Regulations, 2015:

- a. The auditors' report on statutory financial statements of the Company are unqualified.
- b. Mr. Jagadish Capoor is the Non-Executive Chairman of the Company and Mr. V.P.Nandakumar is the Managing Director and Chief Executive Officer of the Company. The Company has complied with the requirement of having separate persons to the post of Chairman and Managing Director / Chief Executive Officer.
- c. KPMG, the internal auditors of the Company, make presentations to the audit committee on their reports.

WHISTLE BLOWER POLICY AND VIGIL MECHANISM:

The Company has formulated Whistle Blower Policy and Vigil Mechanism ("the Policy") in line with the provisions of Regulation 4 and 22 of the SEBI (LODR) Regulations, 2015 and Section 177 of the Companies Act, 2013 with a view to enabling stakeholders, including directors, individual employees and their representative bodies to freely communicate their concerns about illegal or unethical practices and to report genuine concerns to the Audit Committee of the Company.

The vigil mechanism of the Company provides adequate safeguards against the victimisation of any directors or employees or any other person who avail the mechanism and also provides direct access to the Chairperson of the Audit Committee. No person has been denied access to the Chairman of the audit committee. The said policy has been also put up on the website of the Company at the following link – <http://manappuram.com/files/Whistle-blower-Policy-v2.pdf>

COMMODITY PRICE RISKS, FOREIGN EXCHANGE RISKS AND HEDGING ACTIVITIES:

Commodity Price Risks:

The company lends against the collateral of used gold jewellery. When the customer fails to repay the principal plus interest of the loan, the company auctions the collateral and recovers the dues as per the RBI guidelines on gold loan auctioning. The amount recovered at the time of auction depends on the price of the gold content of the jewellery. As gold is a commodity, the company does therefore bear an exposure to commodity price risk. If gold prices are high, the amount of recovery at the time of auction is more and when the price of gold is low the amount recovered at the time of auction is lower. At the time of auction, the company at times may not collect full amount of interest due, especially if the price of gold is lower at the time of auction than at the time of disbursement.

Foreign Exchange Risks:

The company does not directly face any foreign exchange risks as all its loans are made in rupee terms. The company does not have any un-hedged borrowing in foreign exchange as well. There have been on occasions, borrowings in foreign exchange which are fully hedged and received in rupees.

Hedging Activities for the above:

The company has hedged the commodity price risk by shifting to primarily short term loans. Earlier the company used to make one year loans which had a higher risk of exposure to commodity price risk. With the shift to shorter term loans the company has significantly reduced its risk of non-collection of full interest and principal at the time of auction. This has also resulted in higher net yield during the year which has contributed to higher profitability as well.

SUBSIDIARY COMPANIES:

The audit committee reviews the consolidated financial statements of the Company and the investments made by its unlisted subsidiary companies. The minutes of the board meetings along with a report on significant transactions and arrangements entered into by the unlisted subsidiary companies are periodically placed before the Board of Directors of the Company.

Board of Directors of unlisted subsidiary companies consist of one independent director of the Company. The Company does not have any material non-listed Indian subsidiary companies.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

As a part of familiarization programme for directors, a Director's Companion is circulated to all directors of the company which is the compilation of duties and responsibilities as a director as well as other relevant aspects. It can be accessed on the company's website at the link: http://manappuram.com/files/Directors_Companion.pdf

CODE OF CONDUCT

As per Regulation 26 of SEBI (LODR) Regulations, 2015, the Company has framed a Code of Conduct for the directors and senior management personnel and the same was uploaded on to the website of the Company and is accessible to the shareholders of the Company.

It is hereby affirmed that all the Board members and senior management personnel have complied with Code of Conduct of the Company. In terms of the provisions of Part E of Schedule V of the SEBI (LODR) Regulations, 2015, a declaration signed by the Chief Executive Officer of the Company is published in this report as Annexure - A.

FAIR PRACTICES CODE

The Company has framed Fair Practices Code as per the latest guidelines issued by Reserve Bank of India in this regard. The code is posted on the website of the Company.

CEO/CFO CERTIFICATION

The requisite certification made by CEO/CFO as per the Regulation 17(8) as specified in Part B of Schedule II of the SEBI (LODR) Regulations, 2015 for FY 2015-16 was taken note by the Board of Directors at its meeting held on May 12, 2016 is published in this report as Annexure – B.

Independent auditor's compliance certificate regarding the compliance of conditions of corporate governance is annexed with the Board's Report in terms of the provisions of Part E of Schedule V of the SEBI (LODR) Regulations, 2015.

Place: Valapad
Date: May 12, 2016

On Behalf of the Board
Sd/-
V.P. Nandakumar
Managing Director & CEO

Annexure - A

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

This is to confirm that the Company has adopted a Code of Conduct for the directors and senior management personnel. I confirm that the Company has in respect of the year ended March 31, 2016, received from the Senior Management Team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

Place: Valapad
Date: May 12, 2016

V.P. Nandakumar
Managing Director & CEO

Annexure - B

CEO & CFO CERTIFICATION UNDER SEBI (LODR) REGULATIONS, 2015

We, V.P.Nandakumar, Managing Director & CEO and Kapil Krishan, Chief Financial Officer, of Manappuram Finance Limited, ("the Company") hereby certify that:-

- (a) We have reviewed financial statements and cash flow statement for the year ended 31st March 2016 and that to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company for the year ended 31st March 2016 which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the audit committee
 - 1. significant changes in internal control over financial reporting during the year;
 - 2. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - 3. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place: Valapad
Date: May 04, 2016

V.P.Nandakumar
Managing Director & CEO

Kapil Krishan
Chief Financial Officer

Independent Auditor's Report

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

To
The Members of
Manappuram Finance Limited

REPORT ON THE FINANCIAL STATEMENTS

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

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2016, its profit, and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid 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 written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 27 to the standalone financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and ;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per **Bharath N S**

Partner

Membership Number: 210934

Place of Signature: Chennai

Date: May 12, 2016

ANNEXURE 1 REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE

Re: Manappuram Finance Limited ("the Company")

- (i)
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
 - (c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, fixed assets are held in the name of the Company.
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.

Independent Auditor's Report

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

- (iii) (a) The Company has granted loans to two firms covered in the register maintained under section 189 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, the terms and conditions of the grants and loans not prejudicial to the Company's interest.
- (b) In respect of loans granted to firms covered in the register maintained under section 189 of the Companies Act, 2013, repayment of the principal amount is as stipulated and payment of interest has been regular.
- (c) There are no amounts of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013 which are overdue and outstanding for more than ninety days.
- (iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made, guarantees and securities given have been complied with by the Company.
- (v) The Company has not accepted any deposits from the public.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products/services of the Company.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, excise duty, value added tax, cess and other material statutory dues applicable to it. The provisions relating to customs duty is not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales-tax, service tax, excise duty, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, there are no dues outstanding of wealth tax, excise duty and cess on account of any dispute. The dues outstanding of service tax, income tax and sales-tax on account of a dispute are as follows:

Name of the Statute	Nature of dues	Period of dispute	Amount due	Amount paid under protest Rs. in mil	Forum where it is pending
Finance Act, 1994	Service Tax	FY 2001-02 to 2007-08	2.99 (including penalty of 2.24)	-	Commissioner Central Excise and Service Tax (Appeals)
AP Value Added Tax Act, 2005	VAT	FY-2011-12	5.60 (including penalty of 1.12)	2.80	Appellate Deputy Commissioner (CT)
Finance Act, 1994	Service Tax	FY 2004-05 to 2007-08	3.05	-	Commissioner Central Excise and Service Tax Appellate Tribunal
Finance Act, 1994	Service Tax	FY 2008-09	0.37 (including penalty of 0.19)	-	Commissioner Central Excise and Service Tax (Appeals)
Income Tax Act, 1961	Income tax	FY 2011-12	7.72	-	Commissioner of Income tax (Appeals)
Income Tax Act, 1961	Income tax	FY 2012-13	87.36	-	Commissioner of Income tax (Appeals)

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

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders. The Company did not have any outstanding dues to government during the year.
- (ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments. The Company has utilised the monies raised by way of team loan for the purpose for which they were raised.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the standalone financial statements and according to the information and explanations given by the management, we report that no fraud by the Company has been noticed or reported during the year. However, as more fully discussed in Note 47 to the standalone financial statements and as informed by the management, we report that, during the year there have been certain instances of fraud on the Company by employees, where gold loan related misappropriations / cash embezzlements have occurred for amounts aggregating Rs.60.05 million and out of which the Company has recovered Rs. 23.69 million. The Company is in the process of recovering balance amounts from the employees/insurance companies and taking legal actions, where applicable. The Company has created provision aggregating Rs.36.36 million in respect of these matters.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the standalone financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, we report that the Company has registered as required, under section 45-IA of the Reserve Bank of India Act, 1934.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

Place of Signature: Chennai

Date: May 12, 2016

per **Bharath N S**

Partner

Membership Number: 210934

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Balance Sheet

as at 31st March, 2016

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

	Note No.	As at March 31, 2016	As at March 31, 2015
Equity and liabilities			
Shareholders' funds			
Share capital	3	1,682.41	1,682.41
Reserves and surplus	4	25,685.67	24,591.29
		27,368.08	26,273.70
Non-current liabilities			
Long-term borrowings	5	11,151.34	15,502.90
Other long term liabilities	6	1,237.80	1,093.89
		12,389.14	16,596.79
Current liabilities			
Short-term borrowings	7	67,672.41	52,997.65
Trade Payables	8	-	-
Total outstanding dues of micro enterprises and small enterprises		232.51	242.14
Other current liabilities	8	10,778.74	16,734.58
Short-term provisions	9	667.90	476.94
		79,351.56	70,451.31
TOTAL		119,108.78	113,321.80
Assets			
Non-current assets			
Fixed assets			
Tangible assets	10A	1,868.10	1,671.14
Intangible assets	10B	30.18	43.23
Capital work-in-progress		-	8.81
Non-current investments	11A	3,241.92	1,676.42
Deferred tax assets (net)	12	390.84	296.17
Long-term loans and advances	13	2,100.50	858.25
Other non current assets	14	979.43	1,312.26
		8,610.97	5,866.28
Current assets			
Current investments	11B	-	2,118.20
Cash and bank balances	15	4,919.33	6,820.83
Short-term loans and advances	13	101,790.71	92,553.66
Other current assets	14	3,787.77	5,962.83
		110,497.81	107,455.52
Total		119,108.78	113,321.80
Summary of significant accounting policies	2.1		

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

As per our report of even date

For S.R Batliboi & Associates LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

per **Bharath NS**
Partner
Membership no.: 210934

Place: Chennai
Date : May 12, 2016

V.P. Nandakumar
MD & CEO

Kapil Krishan
Chief Financial Officer

Place: Valapad, Thrissur
Date : May 12, 2016

For and on behalf of the board of directors

B. N. Raveendra Babu
Executive Director

Ramesh Periasamy
Company Secretary

Statement of Profit and Loss

for the year ended March 31, 2016

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

	Notes	Year ended March 31, 2016	Year ended March 31, 2015
Income			
Revenue from operations	16	22,130.78	19,757.33
Other income	17	43.96	52.07
Total revenue		22,174.74	19,809.40
Expenses			
Finance costs	18	8,838.65	8,724.89
Employee benefits expense	19	3,988.01	3,109.14
Other expenses	20	3,628.07	3,312.28
Depreciation and amortization expense	21	530.89	538.81
Total Expenses		16,985.62	15,685.12
Profit before tax		5,189.12	4,124.28
Tax expenses			
Current tax		1,911.36	1,424.16
Deferred tax		(94.67)	(7.20)
Total tax expense		1,816.69	1,416.96
Profit for the period		3,372.43	2,707.32
Earnings per equity share [nominal value of share ₹2/-]	22		
Basic earnings per share (₹)		4.01	3.22
Diluted earnings per share (₹)		4.01	3.22
Summary of significant accounting policies	2.1		

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

As per our report of even date

For S.R Batliboi & Associates LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

per **Bharath NS**
Partner
Membership no.: 210934

Place: Chennai
Date : May 12, 2016

V.P. Nandakumar
MD & CEO

Kapil Krishan
Chief Financial Officer

Place: Valapad, Thrissur
Date : May 12, 2016

For and on behalf of the board of directors

B. N. Raveendra Babu
Executive Director

Ramesh Periasamy
Company Secretary

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Cash Flow Statement

for the year ended March 31, 2016

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

	March 31, 2016	March 31, 2015
A. Cash flow from operating activities		
Net profit before taxation	5,189.12	4,124.28
Depreciation and amortization	530.89	538.81
(Profit)/loss on sale of fixed assets	(6.70)	(6.50)
Net gain on sale of current investments	(23.30)	(77.20)
Provision for standard assets	128.76	27.41
Bad debts/advances written off / provision for non performing assets and provision for doubtful advances	195.96	247.17
Provision for Litigation claim	4.07	4.64
Operating profit before working capital changes	6,018.80	4,858.61
Movements in working capital :		
Increase/ (decrease) in trade payable	(9.63)	(119.79)
Increase/ (decrease) in other current liabilities and provisions	340.55	(661.34)
Decrease / (increase) in long-term loans and advances	(1,210.15)	(309.49)
Decrease / (increase) in short-term loans and advances	(9,433.01)	(11,072.99)
Decrease / (increase) in other current assets	2,221.54	49.85
Increase / (decrease) in Other long term liabilities	143.91	368.26
Cash generated from /(used in) operations	(1,927.99)	(6,886.89)
Direct taxes paid (net of refunds)	(1,682.35)	(1,378.47)
Net cash flow from/ (used in) operating activities (A)	(3,610.34)	(8,265.36)
B. Cash flows from investing activities		
Purchase of fixed assets, including CWIP	(742.25)	(246.83)
Proceeds from sale of fixed assets	10.87	8.44
Purchase of current investments	(450.00)	(1,625.46)
Purchase of non current investments	(1,565.50)	(1,456.83)
Sale of current investments	2,591.50	7,484.50
Redemption/ maturity of bank deposits (having original maturity of more than three months)	937.80	1,838.88
Investments in bank deposits (having original maturity of more than three months)	(1,052.34)	(925.76)
Net cash flow from/ (used in) investing activities (B)	(269.92)	5,076.94
C. Cash flows from financing activities		
Repayment of Institutional debentures (long term)	(890.50)	(1,227.04)
Proceeds from issuance of public debentures	-	4,785.52
Repayment of Public debentures	(1,505.35)	(455.61)
Proceeds from Retail Debenture	-	50.00
Repayment of Retail Debenture	(451.82)	(2,565.61)
Repayment of inter corporate deposits	-	(32.50)
Application money received for issue of redeemable non-convertible debenture	-	(2,000.00)
Proceeds from commercial paper	70,266.49	74,654.58
Repayment of commercial paper	(61,834.06)	(73,748.44)
Proceed from Vehicle Loan	-	-
Repayment of Vehicle Loan	(2.00)	(3.38)
Proceed from Finance Lease	81.03	-
Repayment of Finance Lease	(19.65)	-
Repayment of Subordinate Debt	(575.18)	(531.85)
Proceed from Term loan from Bank	117,400.00	110,840.00
Repayment of Term Loan from Banks	(122,362.75)	(83,364.17)

Cash Flow Statement

for the year ended March 31, 2016

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

	March 31, 2016	March 31, 2015
Proceeds from Borrowings from others	262.80	58.76
Repayment of Borrowings from others	(175.17)	(1,895.20)
Proceeds / (Repayment) in working capital bank borrowings (net)	3,891.09	(20,600.76)
Dividends paid	(1,892.74)	(1,135.64)
Tax on dividend paid	(385.31)	(215.71)
Net cash flow from/ (used in) in financing activities (C)	1,806.88	2,612.95
Net increase/(decrease) in cash and cash equivalents (A + B + C)	(2,073.38)	(575.47)
Cash and cash equivalents at the beginning of the year	5,894.49	6,469.96
Cash and cash equivalents at the end of the year	3,821.11	5,894.49
Components of cash and cash equivalents		
Cash on hand	1,269.61	1,517.02
With banks		
- in current account	2,066.19	3,857.83
- in deposit account	-	105.00
- in escrow account*		
Unpaid matured deposit account	0.07	0.07
Unpaid auction surplus deposit	446.71	390.21
Unpaid dividend account	38.53	24.36
Total cash and cash equivalents (note 15)	3,821.11	5,894.49

*The Company can utilize these balances only towards settlement of the respective unpaid dividend, unpaid matured deposits and unpaid auction surplus.

For S.R Batliboi & Associates LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

per **Bharath NS**
Partner
Membership no.: 210934

V.P. Nandakumar
MD & CEO

Kapil Krishan
Chief Financial Officer

Place: Chennai
Date : May 12, 2016

Place: Valapad, Thrissur
Date : May 12, 2016

For and on behalf of the board of directors

B. N. Raveendra Babu
Executive Director

Ramesh Periasamy
Company Secretary

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

NOTE: 1

1) Nature of operations

Manappuram Finance Limited ('MAFIL' or 'the Company') was incorporated on July 15, 1992 in Thrissur, Kerala. The Company is a Non-Banking Finance Company ('NBFC'), which provides a wide range of fund based and fee based services including gold loans, money exchange facilities, etc. The Company currently operates through 3,293 branches spread across the country. The Company is a Systemically Important Non-Deposit taking NBFC.

NOTE: 2

2) Basis of preparation

The financial statements of the company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements 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 and the guidelines issued by the Reserve Bank of India as applicable to a non-deposit accepting NBFC. The financial statements have been prepared under the historical cost convention and on an accrual basis except for interest and discounts on non-performing assets which are recognized on realization basis.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below.

2.1) Statement of significant accounting policies

a) Use of estimates

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

b) Fixed assets

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

c) Depreciation

Depreciation is provided using straight line method at the following rates, which is management's estimate of the useful lives of the assets:

Nature of asset	Useful life in years
Computer equipment	
- End user equipment	3
- Server*	3
Furniture and fixtures	
- Safe and strong rooms	10
- Others*	3-5
Office equipment *	3
Buildings	30
Vehicles	8
Plant & machinery	15

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

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

d) Intangible assets – Computer software & licenses

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible assets are amortized on a straight line basis over the estimated useful economic life of 6 years.

The amortization period and the amortization method are reviewed at least at each financial year end.

e) Impairment of tangible and intangible assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

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

f) Leases

Finance leases, which effectively transfer to the lessee substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the statement of profit and loss. Lease management fees, legal charges and other initial direct costs of lease are capitalized.

A leased asset is depreciated on a straight-line basis over the useful life of the asset. However, if there is no reasonable certainty that the company will obtain the ownership by the end of the lease term, the capitalized asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset or the lease term.

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

g) Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Any inter class transfer should be with the approval of the board and as per RBI regulation.

Current investments are carried at lower of cost and fair value determined on an individual investment basis. Quoted current investments for each category is valued at cost or market value whichever is lower. Unquoted investments in the units of mutual fund in the nature of current investment are also carried at lower of cost and fair value determined on an individual investment basis.

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Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

h) Revenues

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. In a situation where management believes that the recovery of interest is uncertain due to change in the price of the gold or otherwise, the Company recognizes income on such loans only to the extent it is confident of recovering interest from its customers through sale of underlying security or otherwise.

Interest income on loans given is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable. Such interests, where instalments are overdue in respect of non-performing assets are recognized on realization basis. Any such income recognized and remaining unrealized after they become overdue in respect of standard gold loans accounts are reversed based on Management's estimate of ultimate realisation of the underlying security

Revenues from fee-based activities are recognized as and when services are rendered.

Interest on deposits is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

i) Employee benefits

- i. Retirement benefit in the form of Provident Fund is a defined contribution scheme. The Company has no obligation payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as expenditure, when an employee renders the related service. If the contribution payable to the scheme for the service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as the liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent the pre-payment will lead to, for example, a reduction in future payment or a cash refund.
- ii. Gratuity liability under the Payment of Gratuity Act which is a defined benefit scheme is accrued and provided for on the basis of an actuarial valuation as per projected unit credit method made at the end of each financial year.
- iii. Actuarial gains / losses are immediately taken to statement of profit and loss and are not deferred.
- iv. Employee stock compensation cost - Measurement and disclosure of the employee share-based payment plans is done in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 as replaced by SEBI (Share Based Employee Benefits) Regulations, 2014 and the Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India. The Company measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense, if any, is amortized over the vesting period of the option on a straight line basis.

j) Foreign currency transactions

(i) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange

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

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

rate at the date of the transaction and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

(iii) *Exchange Differences*

Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

k) **Borrowing costs**

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.

l) **Income Tax**

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

At each balance sheet date the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

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

m) **Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average numbers of equity shares outstanding during the period are adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split, if any.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

n) **Provisions**

(i) A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a

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reliable estimate can be made. Provisions are not discounted to its present value and are determined based on management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

(ii) Provision policy for gold loans and other loan portfolios

Secured loans are classified / provided for, as per management's best estimates, subject to the minimum provision required as per Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015.

Other loans are classified /provided for, as per the management's best estimates, subject to the minimum provision required as per the Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015.

o) Segment reporting

The Company operates in a single reportable segment i.e., financing, which has similar risks and returns for the purpose of AS 17 on 'Segment Reporting'. The Company operates in a single geographical segment i.e., domestic.

p) Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

q) Ancillary borrowing costs

Ancillary borrowings costs incurred for the issue of debentures and other long term borrowings are expensed over the tenure of the loan.

r) Insurance claims

Insurance claims are accrued for on the basis of claims admitted and/or to the extent there is no uncertainty in receiving the claims. The Company re-assesses the claims made at each reporting period for recoverability.

s) Surplus on auction of pledged gold

The Company has a policy of refund of any surplus that arises on auction of pledged gold which has been re-possessed by the Company in accordance with the terms of the agreement with the customers.

t) Expenditure on Corporate Social Responsibility (CSR)

The Company accounts the expenditure incurred towards Corporate Social Responsibility as required under the Act as a charge to the statement of profit and loss.

u) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements as there is no indication of the uncertainties relating to any outflow.

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NOTE: 3

Share Capital

	As at March 31, 2016	As at March 31, 2015
Authorized shares		
980,000,000 (March 31, 2015: 980,000,000) equity shares of ₹2/- each	1,960.00	1,960.00
400,000 (March 31, 2015: 400,000) redeemable preference shares of ₹100/- each	40.00	40.00
Issued, subscribed and fully paid-up shares		
841,207,136 (31 March 2015: 841,207,136) equity shares of ₹2/- each	1,682.41	1,682.41
Total issued, subscribed and fully paid-up share capital	1,682.41	1,682.41

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

	March 31, 2016		March 31, 2015	
	No. millions	₹ (in millions)	No. millions	₹ (in millions)
At the beginning of the year	841.20	1,682.41	841.20	1,682.41
Outstanding at the end of the year	841.20	1,682.41	841.20	1,682.41

b. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹2/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the period ended 31 March 2016, the amount of per share dividend recognized as distributions to equity shareholders was ₹2.25 per share (31 March 2015: ₹ 1.35/- per share).

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Aggregate number of bonus shares issued, and shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

	March 31, 2016	March 31, 2015
	No. millions	No. millions
Equity shares allotted as fully paid bonus shares by capitalization of securities premium, general reserve and capital redemption reserve.	614.56	614.56

In addition, the Company has issued 11,213,880 equity shares (March 31, 2015: 11,213,880) during the period of five years immediately preceding the reporting date on exercise of options granted under the employee stock option plan (ESOP) wherein part consideration was received in form of employee services.

d. Details of shareholders holding more than 5% shares in the Company (Equity shares of ₹2/- each fully paid)

	March 31, 2016		March 31, 2015	
	No. millions	% holding in the class	No. millions	% holding in the class
Mr.Nandakumar V P	230.94	27.45	222.54	26.45
Ms Sushama Nandakumar	48.00	5.71	48.00	5.71
Baring India Private Equity Fund III	79.36	9.43	79.36	9.43
Smallcap World Fund Inc	-	-	54.93	6.53
Hudson Equity Holdings Ltd	-	-	44.55	5.30

As per records of the Company, including its register of shareholders/ members and other declarations received

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from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

NOTE: 4

Reserves and Surplus

	As at March 31, 2016	As at March 31, 2015
Securities premium account		
Balance as per the last financial statements	13,699.17	13,699.17
Closing Balance	13,699.17	13,699.17
Statutory reserve		
Balance as per the last financial statements	3,609.34	3,067.88
Add: Transfer to Reserve fund as per RBI Act, 1934	674.49	541.46
Closing Balance	4,283.83	3,609.34
Debenture Redemption reserve		
Balance as per the last financial statements	549.04	113.90
Add: amount transferred from surplus balance in the Statement of Profit and Loss (refer note 4 (b))	169.91	435.14
Less: Reversal of debenture redemption reserve	-	-
Closing Balance	718.95	549.04
General reserve		
Balance as per the last financial statements	3,885.08	3,885.08
Closing Balance	3,885.08	3,885.08
Surplus/(deficit) in the Statement of Profit and Loss		
Balance as per last financial statements	2,848.66	2,469.29
Profit for the year	3,372.43	2,707.32
Less: Appropriations		
Transfer to debenture redemption reserve	169.91	435.14
Interim dividend on equity shares	1,892.74	1,135.64
Tax on interim dividend on equity shares	385.31	215.71
Transfer to Statutory reserve	674.49	541.46
Total appropriations	3,122.45	2,327.95
Net surplus in the Statement of Profit and Loss	3,098.64	2,848.66
Total reserves and surplus	25,685.67	24,591.29

Notes:

- Pursuant to Section 71 of the Companies Act, 2013 and circular 04/2013, issued by Ministry of Corporate Affairs, the Company is required to transfer 25% of the value of the debentures issued through public issue as per the present SEBI (Issue and Listing of Debt Securities) Regulation, 2008 to Debenture Redemption Reserve (DRR) and no DRR is required in case of privately placed debenture. Also the Company is required before 30th day of April of each year to deposit or invest, as the case may be, a sum which shall not be less than 15% of the amount of its debenture issued through public issue maturing within one year from the balance sheet date.
- In respect of the debentures issued through public issue, the Company maintains DRR at higher of 25% of the value of such debentures due for redemption in the following financial year or 25% of the prorata amount calculated based on the weighted average maturity of the debentures issued through public issue outstanding at the balance sheet date. The Company has created DRR of ₹ 718.95 as at March 31, 2016 (Previous Year March 31, 2015 ₹ 549.04). The Company subsequent to the year-end has deposited a sum of ₹ 189.08 (previous year March 31, 2015 ₹ 255.13) in the form of fixed deposits with scheduled banks, representing 15% of the debenture issued through public issue, which are due for redemption within one year from the balance sheet date net of redemption before April 30, 2016.

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NOTE: 5

Long-term borrowings

	Non-current portion		Current maturities	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Sub-ordinated debt (Unsecured)				
Subordinate debt from banks	500.00	1,500.00	1,000.00	-
Subordinate bonds from others	417.98	1,225.30	807.31	575.17
Debentures (Secured)				
Non-convertible Debentures - Private placement	2,669.81	3,289.87	482.36	1,204.61
Non-convertible Debentures - Public issue	3,284.84	4,824.56	1,539.72	1,505.35
Term loans				
Indian rupee loan from banks (secured)	4,248.85	4,662.18	5,160.77	12,120.19
Indian rupee loan from others (Unsecured)	-	-	157.53	11.14
Vehicle loans (Secured)	-	0.99	0.47	1.48
Finance lease obligation (secured)	29.86	-	31.51	-
	11,151.34	15,502.90	9,179.67	15,417.94
The above amount includes				
Secured borrowings	10,233.36	12,777.60	7,214.83	14,831.63
Unsecured borrowings	917.98	2,725.30	1,964.84	586.31
Amount disclosed under the head "other current liabilities" (note 8)	-	-	(9,179.67)	(15,417.94)
Net amount	11,151.34	15,502.90	-	-

A) Indian rupee loan from banks (secured)

As at March 31, 2016

Terms of repayment

Tenure (from the date of Balance Sheet)	Rate of Interest	Non current portion	Current Maturities
Due within 2-5 years	10.45 -11.30%	423.08	-
Due within 1-2 years	9.95 -11.30%	3,825.77	-
Due within 1 year	9.50 -11.30%	-	5,160.77
Total		4,248.85	5,160.77

As at March 31, 2015

Terms of repayment

Tenure (from the date of Balance Sheet)	Rate of Interest	Non current portion	Current Maturities
Due within 4-5 years	10.50 -12.25%	25.64	11,039.73
Due within 1-2 years	12.25 -12.75%	4,636.54	863.46
Due within 1 year	13.00 -13.25%	-	217.00
Total		4,662.18	12,120.19

These are secured by an exclusive charge by way of hypothecation of book debts pertaining to loans granted against gold and margin/cash collateral as per the agreement. Further, the loan has been guaranteed by personal guarantee of Mr. V.P Nandakumar, Managing Director and CEO.

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B) Indian rupee loan from banks (secured)

As at March 31, 2016

Terms of repayment

Tenure (from the date of Balance Sheet)	Rate of Interest	Non current portion	Current Maturities
Due within One year	12.30 -13.75 %	-	157.53
Total		-	157.53

As at March 31, 2015

Terms of repayment

Tenure (from the date of Balance Sheet)	Rate of Interest	Non current portion	Current Maturities
Due within 1-2 years	12.30 -13.75 %	-	11.14
Total		-	11.14

C) Vehicle loans (Secured loans)

As at March 31, 2016

Terms of repayment

Tenure (from the date of Balance Sheet)	Rate of Interest		Total Amount
	< 10% Amount	>= 10% < =12% Amount	
Due within 1-2 years	-	-	-
Due within 1 year	0.47	-	0.47
Grand Total	0.47	-	0.47
Non current portion			-
Current Maturities			0.47

The loans are secured by hypothecation of the respective vehicles against which the loan has been availed.

As at March 31, 2015

Terms of repayment

Tenure (from the date of Balance Sheet)	Rate of Interest		Total Amount
	< 10% Amount	>= 10% < =12% Amount	
Due within 3-4 years	-	-	-
Due within 2-3 years	-	-	-
Due within 1-2 years	0.47	0.52	0.99
Due within 1 year	0.76	0.72	1.48
Grand Total	1.23	1.24	2.47
Non current portion			0.99
Current Maturities			1.48

The loans are secured by hypothecation of the respective vehicles against which the loan has been availed.

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- D)** Subordinate debt from banks as at March 31, 2016 aggregating ₹ 1,000 (March 31, 2015 ₹ 1,000) which carries an interest rate of (floating - BR + 3.75%) is repayable at the end of five years and six months from the date of the loan viz. December 13, 2010, and ₹ 500 as at March 31, 2016, (₹ 500 as at March 31, 2015) which carries an interest rate of (floating - BR + 3.30%) is repayable at the end of five years and six months from the date of the loan viz. January 28, 2012.
- E)** Finance lease obligation is secured by hypothecation of Computers taken on lease. The interest rate implicit in the lease is 11% p.a. The gross investment in lease, i.e., lease obligation plus interest, is payable in 12 quarterly instalments of approx. ₹ 7.41 million each.

Subordinate bonds from others:

Subordinate bonds have a face value of ₹ 1,000/- each. Details of rate of interest and maturity pattern from the date of the balance sheet is as under:

As at March 31, 2016

Redeemable at par within	Rate of interest							
	< 12%		>= 12% < 14%		> =14%<=15%		Total	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Due above 5 years	-	-	19,924	19.92	16,005	16.01	35,929	35.92
Due within 4-5 years	6,857	6.86	10,589	10.59	-	-	17,446	17.45
Due within 3-4 years	413	0.41	2,937	2.94	2,309	2.31	5,659	5.66
Due within 2-3 years	-	-	-	-	4,965	4.97	4,965	4.97
Due within 1-2 years	-	-	139,795	139.79	214,189	214.19	353,984	353.98
Due within 1 year	-	-	531,843	531.84	275,466	275.47	807,309	807.31
Grand Total	7,270	7.27	705,088	705.08	512,934	512.95	1,225,292	1,225.29
Non-current portion								417.98
Current maturities								807.31
Total								1,225.29

As at March 31, 2015

Redeemable at par within	Rate of interest							
	< 12%		≥ 12% < 14%		≥ 14% ≤ 15%		Total	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Due above 5 years	6,857	6.86	30,513	30.51	16,005	16.01	53,375	53.38
Due within 4-5 years	413	0.41	2,937	2.94	2,309	2.31	5,659	5.66
Due within 3-4 years	-	-	-	-	4,965	4.97	4,965	4.97
Due within 2-3 years	-	-	139,795	139.79	214,189	214.19	353,984	353.98
Due within 1-2 years	-	-	531,843	531.84	275,466	275.47	807,309	807.31
Due within 1 year	116,533	116.53	435,254	435.25	23,391	23.39	575,178	575.17
Grand Total	123,803	123.80	1,140,342	1,140.33	536,325	536.34	1,800,470	1,800.47
Non-current portion								1,225.30
Current maturities								575.17
Total								1,800.47

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Debentures (Secured)

i) Private placement retail - Redeemable Non Convertible Debentures of ₹ 1,000/- each.

As at March 31, 2016

Terms of repayment

Redeemable at par within	Rate of interest						Total					
	< 10%		>= 10% < 12%		>= 12% < 14%		>= 14% < 16%					
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Due within 2-3 years	-	-	-	-	1,146,540	1,146.54	434,038	434.04	1,580,578	1,580.58		
Due within 1-2 years	-	-	20,000	20.00	104,961	104.96	167,267	167.27	292,228	292.23		
Due within 1 year	-	-	7,500	7.50	38,115	38.12	336	0.34	45,951	45.96		
Grand Total	-	-	27,500	27.50	1,289,616	1,289.62	601,641	601.65	1,918,757	1,918.77		
Non-current portion												1,872.81
Current maturities												45.96
Total												1,918.77

As at March 31, 2015

Terms of repayment

Redeemable at par within	Rate of interest						Total					
	< 10%		>= 10% < 12%		>= 12% < 14%		>= 14% < 16%					
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Due within 3-4 years	-	-	-	-	1,258,723	1,258.72	452,938	452.94	1,711,661	1,711.66		
Due within 2-3 years	-	-	20,000	20.00	108,866	108.87	169,913	169.91	298,779	298.78		
Due within 1-2 years	-	-	7,500	7.50	38,195	38.19	336	0.34	46,031	46.03		
Due within 1 year	-	-	6,176	6.18	279,288	279.29	28,644	28.64	314,108	314.11		
Grand Total	-	-	33,676	33.68	1,685,072	1,685.07	651,831	651.83	2,370,579	2,370.58		
Non-current portion												2,056.47
Current maturities												314.11
Total												2,370.58

Nature of Security

Secured by a floating charge on the book debts of the Company on gold and other unencumbered assets. The Company shall maintain 100% security cover on the outstanding balance of debenture with accrued interest any time.

Debentures are offered for a period of 366 days to 65 Months.

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Debentures (Secured)

ii) Private placement Institutional - Redeemable Non Convertible Debentures of ₹ 1,000/- each.

As at March 31, 2016

Terms of repayment

Date of Allotment	Number	Amount outstanding	Interest Rate	Redeemable at par on	Security
17-Jun-11	400	40.00	12.50%	17-Jun-16	Secured by first pari passu charge on the receivable of the Company with minimum asset cover ratio of 1.10 times and immovable property*
27-May-11	84	8.40	12.25%	27-May-16	
27-May-11	3,880	388.00	12.50%	27-May-16	
Total	7,637	436.40			
Non-current portion		-			
Current maturities		436.40			
Total		436.40			

As at March 31, 2015

Terms of repayment

Date of Allotment	Number	Amount outstanding	Interest Rate	Redeemable at par on	Security
17-Jun-11	400	40.00	12.50%	17-Jun-16	Secured by first pari passu charge on the receivable of the Company with minimum asset cover ratio of 1.10 times and immovable property*
27-May-11	84	8.40	12.25%	27-May-16	
27-May-11	3,880	388.00	12.50%	27-May-16	
31-Mar-11	1,312	131.20	12.25%	31-Mar-16	
28-Mar-11	2,640	264.00	12.25%	28-Mar-16	
17-Jun-11	300	30.00	12.50%	17-Jun-15	
27-May-11	63	6.30	12.25%	27-May-15	
27-May-11	2,910	291.00	12.50%	27-May-15	
Total	11,589	1,158.90			
Non-current portion		436.40			
Current maturities		722.50			
Total		1,158.90			

*Immovable property shall mean the commercial premises of the Company at Kole Kalyan, Santacruz (East) Mumbai.

iii) Private Placement -Institutional issue of Redeemable Non-convertible Debentures of ₹ 1,000,000/- each

As at March 31, 2016

Terms of repayment

Date of Allotment	Number	Amount outstanding	Interest Rate	Redeemable at par on	Put and Call option
31-Dec-12	400	400.00	12.80%	31-Dec-17	None
9-Jan-13	116	116.00	12.40%	09-Jan-18	None
1-Feb-13	250	250.00	12.80%	01-Feb-18	None
20-Mar-13	1	1.00	12.40%	20-Mar-18	None
20-Mar-13	30	30.00	13.25%	20-Mar-23	None
Total	797	797.00			
Non-current portion		797.00			
Current maturities		-			
Total		797.00			

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Terms of repayment

Date of allotment	Number	Amount outstanding	Interest Rate	Redeemable at par on	Put and Call option
18-Feb-14	100	100.00	11.71% (Zero Coupon)	04-May-15	None
20-Mar-13	16	16.00	12.25%	20-Mar-16	None
31-Dec-12	400	400.00	12.80%	31-Dec-17	None
9-Jan-13	116	116.00	12.40%	09-Jan-18	None
1-Feb-13	250	250.00	12.80%	01-Feb-18	None
20-Mar-13	1	1.00	12.40%	20-Mar-18	None
20-Mar-13	30	30.00	13.25%	20-Mar-23	None
9-Jan-13	52	52.00	12.25%	09-Jan-16	None
Total	965	965.00			

Non-current portion 797.00

Current maturities 168.00

Total 965.00

Nature of Security

Secured by present and future gold loan receivable of the Company with minimum asset cover ratio of 1.10 times.

iv) Public issue of Redeemable Non-convertible Debentures of ₹ 1,000/- each

As at March 31, 2016

Terms of repayment

Date of Allotment	Number	Amount	Interest Rate	Redeemable at par on
5-Apr-14	127,579	127.58	11.50%	5-Apr-16
5-Apr-14	264,285	264.29	12.00%	5-Apr-16
18-Oct-14	165,683	165.68	11.00%	18-Oct-16
18-Oct-14	135,403	135.40	11.25%	18-Oct-16
28-Jan-14	539,297	539.30	12.25%	28-Jan-17
28-Jan-14	307,469	307.47	12.50%	28-Jan-17
5-Apr-14	585,064	585.06	12.25%	5-Apr-17
5-Apr-14	315,100	315.10	12.50%	5-Apr-17
18-Oct-14	1,137,977	1,137.98	11.50%	18-Oct-17
18-Oct-14	668,597	668.60	11.75%	18-Oct-17
28-Jan-14	4,919	4.92	11.50%	28-Jan-19
28-Jan-14	11,140	11.14	12.00%	28-Jan-19
5-Apr-14	5,012	5.01	11.50%	5-Apr-19
5-Apr-14	8,447	8.45	12.00%	5-Apr-19
18-Oct-14	22,024	22.02	11.25%	18-Oct-19
18-Oct-14	12,970	12.97	11.50%	18-Oct-19
28-Jan-14	175,298	175.30	12.61%	28-Nov-19
5-Apr-14	187,771	187.77	12.61%	5-Feb-20
18-Oct-14	150,523	150.52	11.70%	18-Jan-21
Total	4,824,558	4,824.56		

Non-current portion 3,284.84

Current maturities 1,539.72

Total 4,824.56

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Terms of repayment

Date of Allotment	Number	Amount	Interest Rate	Redeemable at par on
5-Apr-14	506,742	506.74	11.00%	10-May-15
18-Oct-14	492,340	492.34	10.50%	22-Nov-15
28-Jan-14	142,857	142.86	11.50%	28-Jan-16
28-Jan-14	363,414	363.41	12.00%	28-Jan-16
5-Apr-14	127,579	127.58	11.50%	5-Apr-16
5-Apr-14	264,285	264.29	12.00%	5-Apr-16
18-Oct-14	165,683	165.68	11.00%	18-Oct-16
18-Oct-14	135,403	135.40	11.25%	18-Oct-16
28-Jan-14	539,297	539.30	12.25%	28-Jan-17
28-Jan-14	307,469	307.47	12.50%	28-Jan-17
5-Apr-14	585,064	585.06	12.25%	5-Apr-17
5-Apr-14	315,100	315.10	12.50%	5-Apr-17
18-Oct-14	1,137,977	1,137.98	11.50%	18-Oct-17
18-Oct-14	668,597	668.60	11.75%	18-Oct-17
28-Jan-14	4,919	4.92	11.50%	28-Jan-19
28-Jan-14	11,140	11.14	12.00%	28-Jan-19
5-Apr-14	5,012	5.01	11.50%	5-Apr-19
5-Apr-14	8,447	8.45	12.00%	5-Apr-19
18-Oct-14	22,024	22.02	11.25%	18-Oct-19
18-Oct-14	12,970	12.97	11.50%	18-Oct-19
28-Jan-14	175,298	175.30	12.61%	28-Nov-19
5-Apr-14	187,771	187.77	12.61%	5-Feb-20
18-Oct-14	150,523	150.52	11.70%	18-Jan-21
Total	6,329,911	6,329.91		

Non-current portion 4,824.56

Current maturities 1,505.35

Total 6,329.91

Nature of Security

Secured by mortgage of the immovable property of the Company and a charge on all book debts and other current assets as fully described in the debenture trust deed except those receivables exclusively charged, on a first ranking pari passu basis with all other lenders to the Company holding pari passu charge over security. The Company shall maintain an asset cover of at least 1.10 times of the outstanding amount of debenture, at all times, till the debentures are completely redeemed.

NOTE: 6

Other long term liabilities

	As at March 31, 2016	As at March 31, 2015
Interest accrued but not due on long term borrowings	1,038.15	886.07
Security deposits from employees	199.65	207.82
	1,237.80	1,093.89

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NOTE: 7

Short-term borrowings

	As at March 31, 2016	As at March 31, 2015
Cash credit / Overdraft facilities from banks (secured)	12,853.84	8,962.75
Working Capital demand loan from banks (secured)	45,480.00	43,070.00
Working Capital demand loan from others (unsecured)	-	58.76
Commercial Papers (unsecured)	9,338.57	906.14
	67,672.41	52,997.65
The above amount includes		
Secured borrowings	58,333.84	52,032.75
Unsecured borrowings	9,338.57	964.90
Total	67,672.41	52,997.65

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

	March 31, 2016	March 31, 2015
Secured by hypothecation of specific/paripassu assets covered and Margin/ cash collateral under hypothecation agreements. The loans have been guaranteed by personal guarantee of Mr. V.P Nandakumar, Managing Director & CEO	58,333.84	52,032.75
Total	58,333.84	52,032.75

The cash credit is repayable on demand and carries interest @ 9.85% to 12.05% p.a.

Commercial papers carry interest rates of 9.23% to 10.25% and their tenor ranges from 59 days to 90 days.

NOTE: 8

Other current liabilities

	As at March 31, 2016	As at March 31, 2015
Trade Payables (A) (refer note 8 (A))		
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	232.51	242.14
	232.51	242.14
Current maturities of long-term borrowings (note 5) (Includes current maturity of finance lease obligation ₹ 31.52 million)	9,179.67	15,417.94
Interest accrued but not due on borrowings	554.33	479.62
Statutory dues payable	95.62	97.50
Employee related payables	342.35	241.85

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	As at March 31, 2016	As at March 31, 2015
Auction surplus	462.74	380.60
Investor Education and Protection Fund will be credited by following amounts (as and when due)		
Unclaimed matured Non convertible debenture	13.83	8.62
Unclaimed dividend	38.52	24.34
Unclaimed matured deposits	0.07	0.07
Unclaimed matured subordinate bonds	21.19	20.61
Unpaid Interest - NCD/Bond	3.99	4.79
Others	66.43	58.64
Total (B)	10,778.74	16,734.58
Total (A+B)	11,011.25	16,976.72

Note 8(A): There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding as at March 31, 2016 and March 31, 2015. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

NOTE: 9

Short term provisions

	As at March 31, 2016	As at March 31, 2015
Provision for employee benefits		
Provision for gratuity	62.54	39.12
	62.54	39.12
Other provisions		
Provision for non performing assets	218.50	183.79
Provision for standard assets	357.94	229.18
Provision for litigation	28.92	24.85
	605.36	437.82
	667.90	476.94

The table below gives information about movement in provision for litigation claim .

	As at March 31, 2016	As at March 31, 2015
At the beginning of the year	24.85	20.21
Arising during the year	4.07	4.64
Utilized during the year	-	-
Unused amounts reversed	-	-
At the end of the year	28.92	24.85
Current portion	28.92	24.85
Non-current portion	-	-

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NOTE: 10A Tangible assets

	Freehold Land	Building	Office equipment	Electrical Installation	Computer equipment **	Furniture and Fittings	Vehicle *	Plant & Machinery	Total
Cost									
At 1 April 2014	81.18	266.75	208.01	261.57	886.21	2,028.76	35.85	42.35	3,810.68
Additions	-	38.96	59.06	9.30	119.14	53.51	-	0.59	280.56
Deletions	-	-	6.04	6.52	68.90	24.88	1.97	-	108.31
At 31 March 2015	81.18	305.71	261.03	264.35	936.45	2,057.39	33.88	42.94	3,982.93
Cost									
At 1 April 2015	81.18	305.71	261.03	264.35	936.45	2,057.39	33.88	42.94	3,982.93
Additions	17.01	1.10	107.87	44.36	349.88	186.22	6.59	2.04	715.06
Deletions/adjustment	-	-	2.62	1.12	63.93	17.56	3.56	-	88.79
At 31 March 2016	98.19	306.81	366.28	307.59	1,222.40	2,226.05	36.92	44.98	4,609.21
Accumulated Depreciation									
At 1 April 2014	-	7.37	151.67	206.77	662.90	855.49	10.52	4.75	1,899.47
Charge for the year	-	10.34	34.44	36.32	153.02	274.87	5.24	2.99	517.22
Deletions	-	-	5.40	6.50	67.01	24.50	1.49	-	104.90
At 31 March 2015	-	17.71	180.71	236.59	748.91	1,105.86	14.27	7.74	2,311.79
Accumulated Depreciation									
At 1 April 2015	-	17.71	180.71	236.59	748.91	1,105.86	14.27	7.74	2,311.79
Charge for the year (refer note 2.1(c))	-	10.54	55.69	25.47	158.78	254.99	5.37	3.09	513.93
Disposals/adjustment	-	-	2.60	1.12	62.44	16.90	1.55	-	84.61
At 31 March 2016	-	28.25	233.80	260.94	845.25	1,343.95	18.09	10.83	2,741.11
Net Block at 31 March 2015	81.18	288.00	80.32	27.76	187.54	951.53	19.61	35.20	1,671.14
Net Block at 31 March 2016	98.19	278.56	132.48	46.65	377.15	882.10	18.83	34.14	1,868.10

*Includes vehicles taken on finance lease/hire purchase- Gross block ₹ 2.82 as at March 31, 2016 (March 31, 2015 ₹ 13.77). Depreciation for the period ₹ 0.36 (March 31, 2015 ₹ 1.96) and Net block ₹ 2.00 as at March 31, 2016 (March 31, 2015 ₹ 8.36)

**Includes Computers taken on finance lease/hire purchase- Gross block ₹ 75.59 as at March 31, 2016 (March 31, 2015 ₹ NIL). Depreciation for the period ₹ 16.13 (March 31, 2015 ₹ NIL) and Net block ₹ 59.47 as at March 31, 2016 (March 31, 2015 ₹ NIL)

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NOTE: 10B

Intangible assets

	Computer Software
Cost	
At 1 April 2014	138.34
Purchase	2.68
Deletions	-
At 31 March 2015	141.02
Cost	
At 1 April 2015	141.02
Purchase	3.90
Deletions	-
At 31 March 2016	144.92
Amortization	
At 1 April 2014	76.20
Charge for the year	21.59
Deletions	-
At 31 March 2015	97.79
Amortization	
At 1 April 2015	97.79
Charge for the year	16.95
Deletions	-
At 31 March 2016	114.74
Net block	
At 31 March 2015	43.23
At 31 March 2016	30.18

NOTE: 11A

Non-current investments

	As at March 31, 2016	As at March 31, 2015
Non trade (Unquoted, valued at cost)		
50 (previous year: 50) Non Convertible Subordinate bonds of ₹ 1,000,000/- each fully paid in Dhanalaxmi Bank Limited	50.00	50.00
Non trade - Investment in wholly owned subsidiary (Unquoted, valued at cost)		
100,000,000 (Previous year - 45,000,000) equity share of ₹ 10/- each fully paid in Manappuram Home Finance Private Limited	1,052.56	502.56
770.000 (Previous year - NIL) equity share of ₹ 10/- each fully paid in The Manappuram Insurance Brokers Private Limited.	15.50	-
Non trade - Investment in other subsidiary (Unquoted, valued at cost)		
23,749,979 (Previous year - 13,398,013) equity share of ₹ 10/- each fully paid in Asirvad Microfinance Private limited.	2,123.83	1,123.83
Investment in other companies (Unquoted, valued at cost)		
1,000 (Previous year - 1,000) equity share of ₹ 10/- each fully paid in The Catholic Syrian Bank Limited.	0.03	0.03
	3,241.92	1,676.42

Note :

- | | | |
|---|----------|----------|
| 1. Aggregate amount of unquoted investments | 3,241.92 | 1,676.42 |
| 2. Aggregate provision for diminution in value of investments | - | - |

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NOTE: 11B

Current Investments

	As at March 31, 2016	As at March 31, 2015
Mutual Fund (Unquoted, valued at net asset value)		
NIL (Previous year 14,455,619.44) units of ₹ 33.53/- (Previous year ₹ 34.0791/-) each in SBI Mutual Fund - SBI Magnum Income Fund - Regular plan-Growth	-	492.64
NIL (Previous year 31,167.27 units of ₹ 1,604.25/-) each in Baroda Pioneer Mutual Fund - Plan B Growth	-	50.03
NIL (Previous year 31,037.95 units of ₹1,610.93) each in Boi Axa Liquid Fund - Direct Plan - Growth	-	50.03
NIL (Previous year 17,621.34 units of ₹2,837.47) each in Kotak Liquid Scheme Plan A- Direct Plan -Growth	-	50.04
Certificate of Deposit (Unquoted, value at cost)		
NIL (Previous year 7,500) units of ₹ 100,000/- each in Dena Bank	-	1,475.46
	-	2,118.20

Note :

1. Aggregate amount of unquoted investments (Cost)	-	2,025.46
--	---	----------

NOTE: 12

Deferred tax assets (net)

Deferred tax liability	As at March 31, 2016	As at March 31, 2015
On unamortised debenture issue expense	(16.10)	(34.81)
Gross deferred tax liability	(16.10)	(34.81)
Deferred tax asset		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting.	175.79	152.38
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	21.64	29.78
Provision for advances	199.49	140.37
Others	10.02	8.45
Gross deferred tax asset	406.94	330.98
Net deferred tax asset	390.84	296.17

NOTE: 13

Loans and advances

	Non-current		Current	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Portfolio Loan				
Secured, considered good				
- Gold	-	-	100,591.49	91,962.00
- Commercial Vehicle	894.31	110.02	403.38	43.72
- Mortgage/Property Loan	377.65	232.90	60.41	39.26
- Corporate Loan	276.04		195.83	-
- Other loans	-	-	17.84	22.83
	1,548.00	342.92	101,268.95	92,067.81

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	Non-current		Current	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Secured, considered doubtful				
- Gold	-	-	214.80	183.79
- Commercial Vehicle	-	-	0.07	-
- Mortgage/Property Loan	-	-	3.63	-
Portfolio Loan				
Unsecured, considered good				
- Business loan	13.17	-	7.34	-
- Personal loan	-	-	0.02	0.05
Unsecured, considered doubtful	-	-	-	-
Advances recoverable in cash or kind *				
Unsecured, considered good	-	-	160.86	185.16
	-	-	160.86	185.16
Deposits (Unsecured, considered good)				
Rental deposits	462.42	468.43	95.02	74.68
Other security deposits	44.81	46.90	7.43	13.96
	507.23	515.33	102.45	88.64
Service tax and other taxes recoverable, from Government (Unsecured, considered good)	-	-	32.59	28.21
Capital advances (Unsecured, considered good)	32.10	-	-	-
Total	2,100.50	858.25	101,790.71	92,553.66

* Advances recoverable in cash or kind includes dues from relative of directors and related parties 0.42

NOTE: 14

Other assets

	Non-current		Current	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Non-current bank deposits (note 15)	151.04	208.38	-	-
(A)	151.04	208.38	-	-
Interest accrued:				
Loan Portfolio (Secured, considered good)	-	-	3,470.69	5,681.65
Fixed deposits and investment	0.19	-	23.80	24.48
Advance tax (net of Provisions for taxation and tax deducted at source)	804.79	1,033.80	-	-
Ancillary cost of arranging the borrowings	23.41	70.08	63.39	111.78
Others	-	-	229.89	144.92
(B)	828.39	1,103.88	3,787.77	5,962.83
Total (A + B)	979.43	1,312.26	3,787.77	5,962.83

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NOTE: 15

Cash and bank balances

	Non-current		Current	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Cash and cash equivalents				
Balances with banks:				
On current accounts	-	-	2,066.19	3,857.83
Deposits with original maturity of less than three months	-	-	-	105.00
Cash on hand	-	-	1,269.61	1,517.02
On Escrow accounts #				
Unpaid matured deposit	-	-	0.07	0.07
Unpaid auction surplus deposit	-	-	446.71	390.21
On unpaid dividend account	-	-	38.53	24.36
	-	-	3,821.11	5,894.49
# The Company can utilize these balances only towards settlement of the respective unpaid dividend, unpaid matured deposits and unpaid auction surplus.				
Other bank balances				
Other balance				
Deposits with original maturity for more than 3 months but less than 12 months*	-	-	1,020.28	761.40
Deposits with original maturity for more than 12 months*	151.04	208.38	77.94	164.94
	151.04	208.38	1,098.22	926.34
Amount disclosed under non-current assets (note 14)	151.04	208.38	-	-
	-	-	4,919.33	6,820.83

* Includes:

- Cash collateral deposits aggregating ₹ 1,020 (March 31, 2015 : ₹ 940) towards approved bank facilities;
- Employee security deposits aggregating ₹ 159.79 (March 31, 2015 : ₹ 207.70) placed as fixed deposits with banks;
- Deposits aggregating to ₹ 69.47 (March 31, 2015 : ₹ 37.13) towards security deposit to various authorities.

NOTE: 16

Revenue from operations

	Year ended March 31, 2016	Year ended March 31, 2015
Interest Income		
- Gold loans	21,553.85	19,321.30
- Bank and other deposits	95.91	117.70
- Property loans	72.76	23.82
- Commercial Vehicles	122.55	4.60
- Corporate Loan	49.86	-
- Other loans	3.09	9.97
Processing Fees	128.66	102.27
Total Operating income (A)	22,026.68	19,579.66

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	Year ended March 31, 2016	Year ended March 31, 2015
Other operating revenue		
- Money transfer	50.87	48.66
- Net Gain on current investment	23.30	77.20
- Provisions no longer required written back	-	25.15
- Bad debts recovered	13.69	25.82
- Insurance claim received	11.33	-
- Others	4.91	0.84
Total other operating revenue (B)	104.10	177.67
Revenue from operations (A+B)	22,130.78	19,757.33

NOTE: 17

Other Income

	Year ended March 31, 2016	Year ended March 31, 2015
Profit on sale of fixed assets (net)	6.70	6.50
Notice pay recovery	25.85	37.54
Other non-operating income	11.41	8.03
	43.96	52.07

NOTE: 18

Finance Cost

	Year ended March 31, 2016	Year ended March 31, 2015
Interest		
- on Debentures	1,234.76	1,443.37
- on Bank and other borrowings	5,996.26	5,917.10
- on Subordinate bonds and loans	461.60	523.88
- on Commercial papers	869.94	532.08
- Others	41.67	0.91
Other borrowing cost	234.42	307.55
	8,838.65	8,724.89

NOTE: 19

Employee Benefit Expense

	Year ended March 31, 2016	Year ended March 31, 2015
Salaries, wages and bonus	3,498.13	2,739.76
Contribution to provident and other funds	478.66	364.75
Staff welfare expenses	11.22	4.63
	3,988.01	3,109.14

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NOTE: 20

Other expenses

	Year ended March 31, 2016	Year ended March 31, 2015
Electricity	177.72	160.10
Rent	979.98	909.95
Rates and taxes	27.22	25.46
Insurance	38.57	30.93
Repairs and maintenance		
-Vehicles	4.58	3.55
-Others	125.88	78.80
Advertising and sales promotion	567.10	446.39
Commission Paid	78.24	5.66
Travelling and conveyance	133.94	91.00
Communication costs	150.35	141.53
Printing and stationery	99.15	82.98
IT Support costs	246.70	282.37
Legal and professional fees	89.20	114.06
Security charges	435.05	575.93
Bad debts/advances written off	161.25	237.14
Provision for non performing assets	34.71	10.03
Provision for standard assets	128.76	27.41
Corporate social responsibility expenditure (refer note 49)	94.22	43.38
Miscellaneous expenses	55.45	45.61
	3,628.07	3,312.28

NOTE: 21

Depreciation and amortization expense

	Year ended March 31, 2016	Year ended March 31, 2015
Depreciation	513.94	517.22
Amortization of intangible assets	16.95	21.59
	530.89	538.81

NOTE: 22

Earnings per share (EPS)

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

	Year ended March 31, 2016	Year ended March 31, 2015
Net profit for calculation of basic EPS	3,372.43	2,707.32
Weighted average number of equity shares in calculating basic EPS (Nos.)	841,207,136	841,207,136
Effect of dilution:		
Stock options granted under ESOP (Nos.)		65,557
Weighted average number of equity shares in calculating diluted EPS (Nos.)	841,207,136	841,272,693
Basic EPS (₹)	4.01	3.22
Diluted EPS (₹)	4.01	3.22

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Note 23 : Employee Stock Option Scheme (ESOS), 2009

The details of the Employee Stock Option Scheme 2009 are as under:

Date of share holders' approval	August 17, 2009
Number of options approved	1,000,000
Date of grant	August 17, 2009
Number of options granted	829,500
Method of settlement	Equity
Graded Vesting	50% after one year from the date of grant i.e. August 16, 2010 and balance 50% after two years from the date of grant i.e August 16, 2011
Exercisable period	4 years from vesting date
Vesting conditions	On achievement of pre-determined performance parameters.

Subsequent to the share split and bonus issue in an earlier year, the number of options has been adjusted to 8,295,000 options and the exercise price has been adjusted to ₹ 33.12/- per share in accordance with the terms of the scheme. Further, subsequent to bonus issue in the earlier year, the exercise price has been adjusted to ₹ 16.56 per share.

The Company has adopted the (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 issued by Securities and Exchange Board of India, and has recorded a compensation expense using the intrinsic value method as set out in those guidelines.

During the current year the Company has re-allotted the lapsed options, pursuant to the approval of the Board. The Company has granted 1,191,000 at an exercise price of ₹ 31.25 options on November 03, 2014 which will vest over a period of two years from the grant date (50% of the eligible share on November 03, 2015 and balance 50% of the eligible share on November 03, 2016). The exercise period commences from the date of vesting and will expire not later than four years from the date of vesting.

The summary of the movements in options is given below:

Particulars	March 31, 2016	March 31, 2015
Options outstanding, beginning of year	-	-
Options granted during the year	-	-
Increase on account of Bonus issue	-	-
Lapsed Options restored during the year	1,191,000	1,191,000
Options exercised during the year	-	-
Options lapsed during the year	(316,000)	(130,000)
Options outstanding, end of year	875,000	1,061,000
Options outstanding at the yearend comprise of :		
- Options eligible for exercise at year end	-	-
- Options not eligible for exercise at year end	875,000	1,061,000
Particulars	March 31, 2016	March 31, 2015
Weighted average remaining contract life of options	-	-
Weighted average remaining contract life of options	-	-

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The fair value of options estimated at the date of grant using the Black-Scholes method and the assumptions used are as under:

Particulars	Vesting I 16-Aug-2010 50%	Vesting II 16-Aug-2011 50%
Option fair value (pre-split and bonus at a face value of ₹ 10/- per share)	₹ 142.43/-	₹ 157.92/-
Risk-free interest rate	6.51%	6.53%
Expected life	3 years	4 Years
Expected volatility	67.11%	66.62%
Expected dividend yield	2.76%	2.76%
Share price on the date of grant (face value of ₹ 10/-)	₹ 331.15/-	₹ 331.15/-

The expected volatility of the stock has been determined based on historical volatility of the stock. The period over which volatility has been considered is the expected life of the option.

Pro-forma Disclosures for ESOS 2009

In accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, had the compensation cost for ESOS 2009 been recognized based on the fair value at the date of grant in accordance with Black-Scholes method, the amounts of the Company's net profit and earnings per share would have been as follows:

Particulars	Profit after tax	Basic EPS (₹)	Diluted EPS (₹)
Year ended March 31, 2016			
- Amounts as reported	3,372.43	4.01	4.01
- Amounts as per pro-forma	3,367.47	4.00	4.00

Particulars	Profit after tax	Basic EPS (₹)	Diluted EPS (₹)
Year ended March 31, 2015			
- Amounts as reported	2,707.32	3.22	3.22
- Amounts as per pro-forma	2,703.99	3.21	3.21

Note: 24

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

Names of related parties	
Relationship	Name of the party
Subsidiary company	Manappuram Home Finance Private Limited
	Asirvad Microfinance Private Limited
	Manappuram Insurance Brokers Private Limited (w.e.f January 1, 2016)
Associates / Enterprises owned or significantly influenced by key management personnel or their relatives	
	Manappuram Jewellers Limited
	Manappuram Agro Farms Limited
	Manappuram Foundations
	Manappuram Comptech and Consultant Limited *
	Manappuram Health Care Limited *
	Manappuram Construction and Properties Limited *
	Manappuram Chit Funds Company Private Limited *
	Manappuram Chits (Karnataka) Private Limited *
	Manappuram Chits (Andhra) Private Limited *

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Names of related parties	
Relationship	Name of the party
	Adlux Medicity and Convention centre Private Limited*
	MAFIN Enterprise *
	Manappuram travels *
	MAGRO Farms *
	Manappuram Chits *
Key Management Personnel	Mr. V P Nandakumar- Managing Director & CEO
	Mr. B.N Raveendra Babu- Executive Director
	Mr. Kapil Krishan -Chief financial officer
	Mr.Ramesh Periasamy -Company Secretary
	Mr. I Unnikrishnan - Non Executive Director(Resigned w.e.f November 5, 2015)
Relatives of key management personnel	Mrs. Sushama Nandakumar (wife of Mr. V P Nandakumar)
	Mr. Sooraj Nandan (son of Mr. V P Nandakumar)
	Mrs Sumitha Jayshankar(daughter of Mr. V P Nandakumar)
	Mr. Suhas Nandan (son of Mr. V P Nandakumar)
	Ms. Biji Babu (daughter of Mr. B.N Raveendra Babu)
	Mrs. Shelly Ekalavyan (sister of Mr. V P Nandakumar)
	Mrs. Rajalakshmi Raveendra Babu (wife of Mr. B.N Raveendra Babu)
	Mrs. Sathyalekshmi (wife of Mr.IUnnikrishnan) (Upto November 5, 2015)

* No transactions with these related parties.

Particulars	Subsidiary Company		Associates / Enterprises owned or significantly influenced by key management personnel or their relatives		Key Management Personnel		Relatives of key management personnel	
	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15
Debentures and Subordinate Bond redeemed during the year							0.28	0.55
Mrs. Sathyalekshmi							-	0.05
Mrs. Rajalakshmi Raveendra Babu							0.28	0.50
Equity contribution	1,550.00	969.00						
Manappuram Home Finance Private Limited	550.00	339.00						
Asirvad Microfinance Private Limited	1,000.00	630.00						
Interest expense							0.52	0.62
Mrs. Sathyalekshmi							-	0.13
Mrs. Rajalakshmi Raveendra Babu							0.31	0.31
Ms. Biji Babu							0.09	0.08
Mrs. Shelly Ekalavyan							0.12	0.10

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Particulars	Subsidiary Company		Associates / Enterprises owned or significantly influenced by key management personnel or their relatives		Key Management Personnel		Relatives of key management personnel	
	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15
Commission to Directors					24.00	21.20		
Mr. V.P.Nandakumar					20.00	15.00		
Mr. I Unnikrishnan					-	3.00		
Mr. Raveendra Babu					4.00	3.20		
Remuneration to Directors					43.35	50.13		
Mr. V.P.Nandakumar					33.86	33.94		
Mr. I Unnikrishnan					-	7.36		
Mr. Raveendra Babu					9.49	8.83		
Remuneration to other KMPs					9.43	6.48		
Remuneration paid to Relative of KMP							5.50	2.17
Mr Sooraj Nandan							2.10	1.71
Mrs Sumita Jayshankar							2.91	0.47
Mr. Suhas Nandan							0.49	-
Donation made			92.00	40.11				
Manappuram Foundations			92.00	40.11				
Rent Paid			0.65	0.65	0.32	0.37	0.26	0.24
Mr. V.P.Nandakumar			-	-	0.32	0.37	-	-
Mr. Suhas Nandan			-	-			0.09	0.09
Mrs Sumitha Jayshankar			-	-			0.11	0.11
Mr. Sooraj Nandan							0.06	0.04
Manappuram Agro Farms Limited			0.65	0.65				
Rent Received			1.10	0.42				
Manappuram Jewellers Limited			0.47	0.37				
Manappuram Agro Farms Limited			0.16	0.04				
Manappuram Insurance Brokers Private Limited			0.07	0.01				
Manappuram Foundations			0.40	-				
Electricity Charge Received								
Manappuram Jewellers Limited			0.32	0.26				

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Particulars	Subsidiary Company		Associates / Enterprises owned or significantly influenced by key management personnel or their relatives		Key Management Personnel		Relatives of key management personnel	
	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15
Rent, Electricity, telephone and printing charges Received								
Manappuram Home Finance Private Limited	5.23	1.22						
Expenses reimbursed to the Company								
Manappuram Home Finance Private Limited	-	0.56						
Asirvad Microfinance Private limited	0.77							
Expenses reimbursed by the Company								
Manappuram Home Finance Private Limited	0.03	0.04						
Sale of assets								
Manappuram Home Finance Private Limited	-	0.07	-	-				
Rent Advance Received			0.03	0.06				
Manappuram Jewellers Limited			0.03	-				
Manappuram Insurance Brokers Private Limited			-	0.02				
Manappuram Agro Farms Limited			-	0.04				
Manappuram Foundations			0.09	-				
Interest Income								
Manappuram Home Finance Private Limited	14.14	-						
Asirvad Microfinance Private limited	16.05	4.87						
Processing Fee Received								
Asirvad Microfinance Private limited	5.00							
Processing Fee Refunded								
Asirvad Microfinance Private limited	4.37							
Term loan given to								
Asirvad Microfinance Private limited	500.00	-						
Manappuram Home Finance Private Limited	775.00	-						

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Particulars	Subsidiary Company		Associates / Enterprises owned or significantly influenced by key management personnel or their relatives		Key Management Personnel		Relatives of key management personnel	
	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15
Repayment of term loan from								
Asirvad Microfinance Private limited	500.00	300.00						
Manappuram Home Finance Private Limited	775.00	-						
Security and Bank Gurrantee deposit received								
Manappuram Home Finance Private Limited	0.44	0.04						
Security and Bank Gurrantee deposit refunded								
Manappuram Home Finance Private Limited	0.44	0.04						
Balance outstanding as at the year end:								
Investment in Subsidiary company	3,191.89	1,626.39						
Manappuram Home Finance Private Limited	1,052.56	502.56						
Asirvad Microfinance Private limited	2,123.83	1,123.83						
Manappuram Insurance Brokers Private Limited	15.50	-						
Amounts receivable from related parties								
Manappuram Home Finance Private Limited	-	0.42						
Amounts payable (net) to related parties					24.00	21.20	3.75	3.60
Mr. V.P.Nandakumar					20.00	15.00	-	-
Mr. Raveendra Babu					4.00	3.20	-	-
Mrs. Rajalakshmi Raveendra Babu							2.10	1.48
Ms. Biji Babu							0.71	0.40
Mrs. Shelly Ekalavyan							0.94	0.67
Asirvad Microfinance Private limited	4.37	-						

Note:

Related parties have been identified on the basis of the declaration received by the management and other records available.

Loans given to related parties are repayable on demand. These loans carry interest @ of 12% to 13% p.a.

The loans have been utilised by the Manappuram Home Finance Private Limited for lending Home Loan and meeting the working capital requirements.

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Asirvad Microfinance Private limited has used the loan for meeting the working capital requirements.

The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the company as a whole.

Note: 25

Employment benefits disclosures:

The amounts of Provident fund contribution charged to the statement of Profit and loss during the year aggregates to ₹ 307.05 for March 31, 2016 (March 31, 2015 ₹ 223.13)

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

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

Statement of Profit and Loss

Net employee benefit expense recognised in the employee cost

	March 31, 2016	March 31, 2015
Current service cost	74.74	57.57
Interest cost on benefit obligation	16.87	13.45
Expected return on plan assets	(16.75)	(13.13)
Net actuarial (gain)/loss recognized in the year	11.02	(6.09)
Net (benefit) / expense	85.88	51.80
Actual return on plan assets	16.68	17.45

Balance sheet

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

	March 31, 2016	March 31, 2015
Defined benefit obligation	(307.37)	(216.33)
Fair value of plan assets	244.83	177.21
Asset/(liability) recognized in the balance sheet	(62.54)	(39.12)
Experience adjustments on plan liabilities (Gain) / Loss	5.20	(16.58)
Experience adjustments on plan assets Gain / (Loss)	(1.57)	4.32

	March 31, 2014	March 31, 2013
Defined benefit obligation	(151.07)	(107.98)
Fair value of plan assets	141.96	110.34
Asset/(liability) recognized in the balance sheet	(9.11)	2.36
Experience adjustments on plan liabilities (Gain) / Loss	0.45	(8.57)
Experience adjustments on plan assets Gain / (Loss)	(1.02)	1.07

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	March 31, 2012
Defined benefit obligation	(75.65)
Fair value of plan assets	81.72
Asset/(liability) recognized in the balance sheet	6.07
Experience adjustments on plan liabilities (Gain) / Loss	(26.07)
Experience adjustments on plan assets Gain / (Loss)	0.42

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

	March 31, 2016	March 31, 2015
Opening defined benefit obligation	216.33	151.07
Interest cost	16.87	13.45
Current service cost	74.74	57.57
Benefits paid	(11.52)	(3.99)
Actuarial loss / (gain) on obligation	10.95	(1.77)
Closing defined benefit obligation	307.37	216.33

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

	March 31, 2016	March 31, 2015
Opening fair value of plan assets	177.21	141.96
Expected return	16.75	13.13
Contributions by employer	62.46	21.79
Benefits paid	(11.52)	(3.99)
Actuarial gains / (losses)	(0.07)	4.32
Closing fair value of plan assets	244.83	177.21
Expected contribution to fund to be made in the next year	60.00	40.00

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

	March 31, 2016	March 31, 2015
	%	%
Discount rate	7.5%	7.8%
Attrition rate	15%	15%
Expected rate of return on assets	7.8%	8.5%

The fund is administered by Life Insurance Corporation of India ("LIC") and Kotak Life Insurance. The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

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

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Note 26:

Commitments

- (i) Estimated amount of contracts remaining to be executed on capital account, net of advances is ₹ 20.08 as at March 31, 2016 (March 31, 2015 - ₹ 4.70).
- (ii) The Company has entered into an agreement for outsourcing of Information Technology support in April 2011 for a period of 10 years with an annual expense of ₹ 270.

Note 27:

Contingent liabilities

(a) Applicability of Kerala Money Lenders' Act

The Company has challenged in the Hon'ble Supreme Court the order of Hon'ble Kerala High Court upholding the applicability of Kerala Money Lenders Act to NBFCs. The Hon'ble Supreme Court has directed that a status quo on the matter shall be maintained and the matter is currently pending with the Hon'ble Supreme Court. The Company has taken legal opinion on the matter and based on such opinion the management is confident of a favourable outcome. Pending the resolution of the same, no adjustments have been made in the financial statements for the required license fee and Security deposits.

(b) Litigations

- i) Matters of litigation, if any, the outcome of which in the opinion of Management is considered probable thereby requiring provision, have been provided for under the requirement of Indian GAAP.
- ii) Income tax demand related to Financial year 2012-13 on account of disallowances of certain expenditure amounting to ₹ 7.72 including interest. The Company has preferred an appeal against the order with Commissioner of Income Tax (Appeals)

Note: 28)

Additional disclosures as required by circular no DNBS(PD).CC.No.125/03.05.002/2008-2009 dated August 1, 2008 issued by the Reserve Bank of India:

a) Capital to Risk Assets Ratio

Particulars	March 31, 2016	March 31, 2015
CRAR (%)	24.00	25.64
CRAR - Tier I Capital (%)	23.48	25.07
CRAR - Tier II Capital (%)	0.52	0.57

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b) Asset liability management

Maturity pattern of certain items of assets and liabilities as at March 31, 2016

Liabilities	1 day to 30/31 days (one month)	Over one month to 2 months	Over 2 month upto 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Borrowings from banks	17,392.63	3,802.63	8,080.10	18,095.39	16,123.86	4,248.85	-	-	67,743.46
Market borrowings #	46.22	9,354.86	0.07	47.86	47.56	-	-	-	9,496.57

Assets @	1 day to 30/31 days (one month)	Over one month to 2 months	Over 2 month upto 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Advances (net)	30,093.90	25,431.10	29,994.90	6,847.60	8,668.03	1,015.80	814.20	190.50	103,056.03
Investments	-	-	-	-	-	50.00	-	3,191.92	3,241.92

Represents working capital demand loans from others, commercial papers under Note 7 and vehicle loans under Note 5

Maturity pattern of certain items of assets and liabilities as at March 31, 2015

Liabilities	1 day to 30/31 days (one month)	Over one month to 2 months	Over 2 month upto 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Borrowings from banks	13,963.10	7,785.90	8,420.80	17,757.70	16,225.44	4,639.08	23.10	-	68,815.12
Market borrowings #	906.41	13.80	5.70	20.80	30.80	1.00	-	-	978.51

Assets @	1 day to 30/31 days (one month)	Over one month to 2 months	Over 2 month upto 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Advances (net)	30,935.28	7,079.20	18,015.60	25,573.90	10,656.20	92.70	258.10	82.52	92,693.50
Investments	1,625.56	-	-	-	492.64	-	50.00	1,626.42	3,794.62

Represents working capital demand loans from others and commercial papers under Note 7 and vehicle loans under Note 5

These disclosures are given only for certain items of assets and liabilities from the Balance sheet as required by the above circular and is not a complete depiction of the asset liability maturity position of the Company as at March 31, 2016 and March 31, 2015.

@ The asset maturity pattern are based on expected collections pattern of the Company based on past experience.

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Note 29:

Lease Disclosures

Operating Lease :

Office premises are obtained on operating lease which are cancellable in nature. Operating lease payments are recognized as an expense in the statement of profit and loss.

Finance Leases:

The Company has finance leases for vehicles. These leases are non-cancellable and has no escalation clause. Future minimum lease payments (MLP) under finance leases together with the present value of the net MLP are as follows:

	31-Mar-16	31-Mar-15
Total minimum lease payments at the year end	69.64	2.70
Less: amount representing finance charges	7.80	0.23
Present value of minimum lease payments	61.84	2.47
Lease payments for the year	26.14	3.75
Minimum lease Payments:		
Not less than one year [Present value ₹ 31.99 as on March 31, 2016 (₹ 1.48 as on March 31, 2015)]	37.54	1.64
Later than one year but not later than five years[Present value ₹ 29.86 as on March 31, 2016 (₹ 0.99 as on March 31, 2015)]	32.10	1.06

Note 30:

Cash collateral deposits

Deposit with Banks includes Cash collaterals deposits aggregating ₹ 1020.00 (March 31, 2015 ₹ 940.00) towards approved facilities. Bank /institution wise breakup of the same is as under :

Bank/Financial institution	31-Mar-16	31-Mar-15
Andhra Bank	-	100.00
The Federal Bank Ltd	40.00	40.00
Jammu and Kashmir Bank Ltd	-	100.00
South Indian Bank Ltd	180.00	180.00
State Bank of India	800.00	420.00
Vijaya Bank	-	100.00
Total	1,020.00	940.00

Note 31(a):

Gold and other loan portfolio classification and provision for non performing assets (As per RBI Prudential Norms)

Particulars	Gross Loan Outstanding		Provision For Assets		Net Loan Outstanding	
	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15
Secured Loans						
A) Gold Loan						
Standard Asset	99,825.12	91,062.46	350.12	228.06	99,475.00	90,834.40
Sub Standard Asset	830.46	953.66	83.05	95.37	747.41	858.29
Doubtful Asset	24.90	51.95	5.94	10.66	18.96	41.29
Loss Asset	125.81	77.72	125.81	77.72	-	-
Total - A	100,806.29	92,145.79	564.92	411.81	100,241.37	91,733.98

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Particulars	Gross Loan Outstanding		Provision For Assets		Net Loan Outstanding	
	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15
B) Other Loans						
Standard Asset	2,213.92	448.37	7.75	1.12	2,206.17	447.25
Sub Standard Asset	0.71	0.36	0.07	0.04	0.64	0.32
Doubtful Asset	14.53	-	3.63	-	10.90	-
Loss Asset	-	-	-	-	-	-
Total - B	2,229.16	448.73	11.45	1.16	2,217.71	447.57
Total (A+B)	103,035.45	92,594.52	576.37	412.97	102,459.08	92,181.55
Unsecured Loans						
A) Other Loans						
Standard Asset	20.53	0.05	0.07	-	20.46	0.05
Sub Standard Asset	-	-	-	-	-	-
Doubtful Asset	-	-	-	-	-	-
Loss Asset	-	-	-	-	-	-
Total	20.53	0.05	0.07	-	20.46	0.05

Note 31(b):

Provision for diminution in value of investments

Bank/Financial institution	31-Mar-16	31-Mar-15
Provision for diminution in value of investments	-	-

Note 32:

Investment

Particulars	31-Mar-16	31-Mar-15
1) Value of Investments		
i) Gross Value of Investments		
(a) In India	3,241.92	3,794.62
(b) Outside India	-	-
ii) Provisions for Depreciation		
(a) In India	-	-
(b) Outside India	-	-
ii) Net Value of Investments		
(a) In India	3,241.92	3,794.62
(b) Outside India	-	-
2) Movement of provisions held towards depreciation on investments		
i) Opening balance	-	-
ii) Add : Provisions made during the year	-	-
iii) Less : Write-off / write-back of excess provisions during the year	-	-
iv) Closing balance	-	-

Note 33:

Derivatives

There are no derivatives taken during the current and previous year.

Note 34:

Disclosures relating to Securitisation

The Company has no securitisation transaction during the current and previous year.

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Note 35:

Exposure

i) Exposure to real estate sector

Particulars	31-Mar-16	31-Mar-15
1) Direct Exposure		
a) Residential Mortgages		
Lending fully secured by mortgage on residential property that is or will be occupied by the borrower or that is rented.	397.06	240.62
Individual loans upto ₹ 15 lakhs included in 1 (a) above	272.98	152.96
b) Commercial Real Estate		
Lending fully secured by mortgage on commercial real estate (office buildings, retail space, multiple purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would not include non-fund based (NFB) limits.	40.06	24.49
c) Investments in Mortgage Backed Securities (MBS) and other securitised exposures:	-	-
2 Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-	-

ii) Exposure to Capital Market

Particulars	31-Mar-16	31-Mar-15
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;	3191.92	1626.42
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;	-	-
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;	-	-
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;	-	-
v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
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;	-	-
vii) bridge loans to companies against expected equity flows / issues;	-	-
viii) all exposures to Venture Capital Funds (both registered and unregistered)	-	-
Total Exposure to Capital Market	3,191.92	1,626.42

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Note 36:

Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC

The Company has not exceeded the Single borrower and group borrower limits

Note 37:

Provisions and Contingencies

Particulars	31-Mar-16	31-Mar-15
Break -up of Provision and contingencies in statement of profit and loss		
Provision towards NPA	34.71	10.03
Provisions for depreciation on Investment	-	-
Provision made towards current tax	1,911.36	1,424.16
Provision for litigation	4.07	4.64
Provision for Standard Assets	128.76	27.41

Note 38:

Draw down from Reserves

Details of draw down from reserves, if any, are provided in Note 4 to these financial statements.

Notes 39:

Concentration of Advances, Exposures and NPAs

i) Concentration of Advances

Particulars	31-Mar-16	31-Mar-15
Total advances to twenty largest borrowers	2,419.41	983.67
Percentage of advances to twenty largest borrowers to total advances of the Company	0.67%	0.40%

ii) Concentration of Exposures

Particulars	31-Mar-16	31-Mar-15
Total exposure to twenty largest borrowers/customers	492.79	151.35
Percentage of exposures to twenty largest borrowers/customers to total exposure of the Company on borrowers/customers	0.48%	0.16%

iii) Concentration of NPA's

Particulars	31-Mar-16	31-Mar-15
Total exposure to top four NPA accounts	22.01	7.25

iv) Sector-wise NPAs

Particulars	31-Mar-16	31-Mar-15
Agriculture & allied activities	-	-
MSME	-	-
Corporate borrowers	-	-
Services	-	-
Unsecured personal loans	-	-
Auto loans	-	-
Other personal loans	996.41	1,083.69

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

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

v) Movement of NPAs

Particulars	31-Mar-16	31-Mar-15
I) Net NPAs to Net Advances (%)	0.77%	0.98%
II) Movement of NPAs (Gross)		
a) Opening balance	1,083.69	996.27
b) Addition during the year	896.60	935.26
c) Reduction during the year	983.88	847.84
d) Closing balance	996.41	1,083.69
III) Movement of NPAs (Net)		
a) Opening balance	899.90	822.51
b) Addition during the year	761.13	830.31
c) Reduction during the year	883.12	752.92
d) Closing balance	777.91	899.90
IV) Movement of provisions for NPAs (excluding provisions on standard assets)		
a) Opening balance	183.79	173.76
b) Provision made during the year	135.47	104.96
c) Write-off/write-back of excess provisions	100.76	94.93
d) Closing balance	218.50	183.79

Notes 40:

Customer Complaints

Particulars	31-Mar-16	31-Mar-15
No. of complaints pending at the beginning of the year	143	91
No. of complaints received during the year	3,626	3,392
No. of complaints redressed during the year	3,693	3,340
No. of complaints pending at the end of the year	76	143

Note 41:

Miscellaneous

- Registration obtained from other financial sector regulators
The Company is not registered with any other financial sector regulators.
- Disclosure of Penalties imposed by RBI and other regulators
No penalties have been imposed by RBI and other Regulators during the year ended March 31, 2016 and March 31, 2015.
- Ratings assigned by credit rating agencies and migration of ratings during the year

Credit rating Agency	Type of Facility	₹ In Million	Rating
Brickwork	Non-Convertible debentures	2,500	BWRA+ to BWR AA-
CRISIL	Bank Loan Facility	2,500	CRISIL A+/ Stable
	Non-Convertible Debenture	16,325	CRISIL A+/ Stable
	Short Term Debt	15,000	CRISIL A1+Stable
ICRA	Non-Convertible Debentures	4,230	[ICRA]A+(Stable)
	Bank Loan Short Term	15,240	[ICRA]A1+
	Short term fund based bank facilities	5,000	[ICRA]A1+
CARE	Bank Loan Facility Long Term	36,770	CARE AA-Stable
	Bank Loan Facility Short Term	23,230	CARE A1+Stable
	Non-Convertible Debentures	3,000	CARE AA-Stable

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

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

Note: 42

Additional disclosures as required by circular no DNBS.CC.PD.No.265/03.10.01/2011-2012 dated March 21, 2012 issued by the Reserve Bank of India:

Particulars	March 31, 2016	March 31, 2015
Total Gold loan portfolio	100,806.29	92,145.79
Total Assets	119,108.78	113,321.80
Gold loan portfolio as a percentage age of total assets	85%	81%

Note: 43

Additional disclosures as required by circular no DNBS.CC.PD.No.356/03.10.01/2013-2014 dated September 16, 2013 issued by the Reserve Bank of India:

Year	Number of Loan Accounts	Principal Amount outstanding at the dates of auctions (A)	Interest Amount outstanding at the dates of auctions (B)	Total (A+B)	Value fetched*
31-Mar-16	702,038	19,319.03	4,890.18	24,209.21	22,094.92
31-Mar-15	347,845	11,887.34	4,117.00	16,004.34	13,544.98

Note:

No sister concerns participated in the auctions during the year ended March 31, 2016 and March 31, 2015.

* Net of Sale Tax Collected from the buyer.

Note: 44

Expenditure in foreign currency

Particulars	March 31, 2016	March 31, 2015
Travel	0.09	0.27
Training expenses	-	-
	0.09	0.27

Note: 45

Value of imports on C.I.F basis

Particulars	March 31, 2016	March 31, 2015
Capital goods	-	-
	-	-

Note: 46:

Under Recovery of Interest Income

The Company disbursed some gold loans on which the total amount receivable including principal and accumulated interest have exceeded the value of the underlying security. As of March 31, 2016, the Company has not recognized interest income aggregating to ₹ 0.71 (March 31, 2015 ₹ 773.90).

Note: 47

During the year there have been certain instances of fraud on the Company by employees and others, where gold loan related misappropriations / cash embezzlements have occurred for amounts aggregating an amount of ₹60.05 (March 31, 2015 ₹ 69.23) of which the Company has recovered ₹ 23.69 (March 31, 2015 ₹ 8.87). The Company has taken insurance cover for such losses and has filed insurance claims in this regard. Further, the Company is in the process of recovering these amounts from the employees and taking legal actions, where applicable. The Company has created provision aggregating to ₹ 36.36 (March 31, 2015 ₹ 42.98) towards these losses based on its estimate.

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

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

Note: 48

Utilisation of proceeds of public issue.

During the current year, the Company has raised Nil (March 31, 2015 ₹ 2,785.52) by way of public issue of Secured Non Convertible Debentures (public issue) to be utilised to meet its various financing activities including lending and investment and towards business operations including Capital expenditure and working capital requirements. As at March 31, 2015, the Company has utilised the entire proceeds of the public issue, net of issue expenses in accordance with the objects stated in the offer document.

Note: 49

Loans and advances in the nature of loans given to subsidiaries and associates and firms/ companies in which directors are interested

- a) Manappuram Home Finance Private Limited
Loan given to wholly owned subsidiary:
"Balance as at 31 March 2016 NIL (31 March 2015: NIL)
Maximum amount outstanding during the year ₹ 405 million (31 March 2015: NIL)"
- b) Asirvad Microfinance Private Limited
Loan given to other subsidiary:
"Balance as at 31 March 2016 NIL (31 March 2015: NIL)
Maximum amount outstanding during the year ₹ 500 million (31 March 2015: NIL)"

Note: 50

Expenditure on Corporate Social Responsibility (CSR)

For the year ended March 31, 2016 the Company has incurred expenditure of ₹94.22(March 31, 2015 ₹43.38) as compared to expenditure required to be spent under section 135 of the Act of ₹71.10 (March 31, 2015 ₹ 101.78) resulting in an excess of ₹23.12(March 31, 2015 shortfall ₹ 58.40). Refer to the Director's report for details on the same.

Note: 51

Previous year figures

Previous year figures have been regrouped/reclassified, where necessary, to conform current year's classification.

For S.R Batliboi & Associates LLP

Chartered Accountants
ICAI Firm registration number: 101049W/E300004

per **Bharath NS**
Partner
Membership no.: 210934

Place: Chennai
Date : May 12, 2016

V.P. Nandakumar
MD & CEO

Kapil Krishan
Chief Financial Officer

Place: Valapad, Thrissur
Date : May 12, 2016

For and on behalf of the board of directors

B. N. Raveendra Babu
Executive Director

Ramesh Periasamy
Company Secretary

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Balance Sheet of a non- deposit taking non-banking financial company

(as required in terms of paragraph 13 of Systematically Important Non-Banking Financial (Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015)

(Rs. in millions)

Sl. No.	Particulars	Amount Outstanding	Amount Overdue
Liabilities side :			
(1)	Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:		
(a)	Debtures : Secured	9,009.07	
	: Unsecured	-	
	(other than falling within the meaning of public deposits*)		
(b)	Deferred Credits	-	
(c)	Term Loans	9,636.27	
(d)	Inter-corporate loans and borrowing	-	
(e)	Commercial Paper	9,380.49	
(f)	Other Loans:		
	Subordinate bond	3,234.80	
	Bank	58,333.84	
	Others	-	

Assets side :

Sl. No.	Particulars	Amount outstanding
(3)	Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :	
(a)	Secured	103,035.45
(b)	Unsecured	20.53
(4)	Break up of Leased Assets and stock on hire and other assets counting towards AFC activities	
(i)	Lease assets including lease rentals under sundry debtors :	-
(a)	(a) Financial lease	-
(b)	(b) Operating lease	-
(ii)	Stock on hire including hire charges under sundry debtors:	-
(a)	Assets on hire	-
(b)	Repossessed Assets	-
(iii)	Other loans counting towards AFC activities	-
(a)	Loans where assets have been repossessed	-
(b)	Loans other than (a) above	-

Sl. No.	Particulars	Amount outstanding
(5)	Break-up of Investments :	
	Current Investments:	
1	Quoted :	
(i)	Shares : (a) Equity	-
	(b) Preference	-
(ii)	Debentures and Bonds	-
(iii)	Units of mutual funds	-
(iv)	Government Securities	-
(v)	Others	-
2	Unquoted :	
(i)	Shares : (a) Equity	-
	(b) Preference	-
(ii)	Debentures and Bonds	-
(iii)	Units of mutual funds	-
(iv)	Government Securities	-
(v)	Others (CD's)	-
	Long Term investments:	
1	Quoted :	
(i)	Shares : (a) Equity	-
	(b) Preference	-
(ii)	Debentures and Bonds	-
(iii)	Units of mutual funds	-
(iv)	Government Securities	-
(v)	Others	-
2	Unquoted :	
(i)	Shares : (a) Equity	3,191.92
	(b) Preference	-
(ii)	Debentures and Bonds	50.00
(iii)	Units of mutual funds	-
(iv)	Government Securities	-
(v)	Others	-

Schedule to the

Balance Sheet of a non- deposit taking non-banking financial company

(6) **Borrower group-wise classification of assets financed as in (3) and (4) above :**
Please see Note 2 below

Category	Amount net of provisions		
	Secured	Unsecured	Total
1. Related Parties **			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
2. Other than related parties	103,035.45	20.53	103,055.98
Total	103,035.45	20.53	103,055.98

** As per Accounting Standard of ICAI (please see Note 3)

(7) **Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):**
Please see note 3 below

Category	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties **		
(a) Subsidiaries	3,191.89	3,191.89
(b) Companies in the same group	-	-
(c) Other related parties	-	-
2. Other than related parties	50.03	50.03
Total	3,241.92	3,241.92

(8) Other Information :

	Amount outstanding
(i) Gross Non-Performing Assets	
(a) Related parties	-
(b) Other than related parties	996.41
(ii) Net Non-Performing Assets	
(a) Related parties	-
(b) Other than related parties	777.91
Assets acquired in satisfaction of debt	-

Notes:

1. As defined in paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
2. Provisioning norms shall be applicable as prescribed in the Systematically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015..

All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in (5) above.

For S.R Batliboi & Associates LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

per **Bharath NS**
Partner
Membership no.: 210934

Place: Chennai
Date : May 12, 2016

V.P. Nandakumar
MD & CEO

Kapil Krishan
Chief Financial Officer

Place: Valapad, Thrissur
Date : May 12, 2016

For and on behalf of the board of directors

B. N. Raveendra Babu
Executive Director

Ramesh Periasamy
Company Secretary

Independent Auditor's Report

To
The Members of
Manappuram Finance Limited

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of Manappuram Finance Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the consolidated Balance Sheet as at March 31, 2016, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms with the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for 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; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's 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 Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. 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 paragraph (a) of the Other Matters below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group, as at March 31, 2016, their consolidated profit/loss, and their consolidated cash flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by section 143 (3) of the Act, we report, to the extent applicable, that:

- (a) We / the other auditors whose reports we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
- (b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss, and consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
- (d) In our opinion, 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 of the Holding Company as on March 31, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the auditors who are appointed under Section 139 of the Act and its subsidiary companies incorporated in India, none of the directors of the Group's companies incorporated in India is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company and its subsidiary companies incorporated in India, refer to our separate report in "Annexure 1" to this report; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and as reported by the other auditors who audited financial statements of certain subsidiaries:
 - i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group – Refer Note 27 to the consolidated financial statements;
 - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts – Refer Note 9 to the consolidated financial statements in respect of such items as it relates to the Group.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiaries.

OTHER MATTER

- (a) The accompanying consolidated financial statements include total assets of Rs. 10,460.10 million as at March 31, 2016, and total revenues and net cash outflows of Rs. 1,468.21 million and Rs. 298.44 million for the year ended on that date, in respect of two subsidiaries which have been audited by other auditors, 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 these subsidiaries, 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(s) 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

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per **Bharath N S**

Partner

Membership Number: 210934

Place of Signature: Chennai

Date: May 12, 2016

Independent Auditor's Report

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF Manappuram Finance Limited

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

To
The Members
of Manappuram Finance Limited

In conjunction with our audit of the consolidated financial statements of Manappuram Finance Limited as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of Manappuram Finance Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies (the Holding Company and its subsidiaries together referred to as "the Group"), which are companies incorporated in India, as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the of the Holding Company and its subsidiary companies which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Group's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained 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 internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have maintained in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

OTHER MATTERS

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Group, insofar as it relates to these two subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiary incorporated in India.

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India as specified under section 143(10) of the Act, the consolidated financial statements of the Group, which comprise the Consolidated Balance Sheet as at March 31, 2016, and the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, and our report dated May 12, 2016 expressed unqualified opinion.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per **Bharath N S**

Partner

Membership Number: 210934

Place of Signature: Chennai

Date: May 12, 2016

Consolidated Balance Sheet

as at 31st March, 2016

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

	Note No.	As at March 31, 2016	As at March 31, 2015
Equity and liabilities			
Shareholders' funds			
Share capital	3	1,682.41	1,682.41
Reserves and surplus	4	25,897.95	24,645.58
		27,580.36	26,327.99
Minority Interest		212.01	153.87
Preference shares in subsidiary held by minority shareholders		-	50.00
Non-current liabilities			
Long-term borrowings	5	16,000.07	16,419.14
Other long term liabilities	6	1,237.80	1,093.93
Long-term provisions	9	31.91	7.22
		17,269.78	17,520.29
Current liabilities			
Short-term borrowings	7	67,674.23	52,997.65
Trade Payables	8		
Total outstanding dues of micro enterprises and small enterprises			
Total outstanding dues of creditors other than micro enterprises and small enterprises		250.71	259.22
Other current liabilities	8	14,653.32	18,349.15
Short-term provisions	9	751.13	504.62
		83,329.39	72,110.64
TOTAL		128,391.54	116,162.79
Assets			
Non-current assets			
Fixed assets			
Tangible assets	10A	1,915.46	1,682.28
Intangible assets	10B	32.21	43.23
Capital work-in-progress		-	11.01
Goodwill on consolidation		355.65	329.85
Non-current investments	11A	50.53	50.53
Deferred tax assets (net)	12	433.86	309.78
Long-term loans and advances	13	5,377.25	1,575.61
Other Non current assets	14	1,296.09	1,475.88
		9,461.05	5,478.17
Current assets			
Current investments	11B	440.08	2,118.20
Cash and bank balances	15	6,044.75	7,921.11
Short-term loans and advances	13	108,475.73	94,507.95
Other current assets	14	3,969.93	6,137.36
		118,930.49	110,684.62
Total		128,391.54	116,162.79
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the Consolidated Financial Statements.

As per our report of even date

For S.R Batliboi & Associates LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

per **Bharath NS**

Partner

Membership no.: 210934

V.P. Nandakumar

MD & CEO

Kapil Krishan

Chief Financial Officer

For and on behalf of the board of directors

B. N. Raveendra Babu

Executive Director

Ramesh Periasamy

Company Secretary

Place: Chennai

Date : May 12, 2016

Place: Valapad, Thrissur

Date : May 12, 2016

Consolidated Statement of Profit and Loss

for the year ended March 31, 2016

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

	Notes	Year ended March 31, 2016	Year ended March 31, 2015
Income			
Revenue from operations	16	23,602.31	19,864.22
Other income	17	135.95	70.05
Total revenue		23,738.26	19,934.27
Expenses			
Finance costs	18	9,473.90	8,772.33
Employee benefits expense	19	4,326.81	3,145.37
Other expenses	20	3,870.59	3,339.61
Depreciation and amortization expense	21	557.81	540.23
Exceptional items (Refer Note 29)		25.32	-
Total Expenses		18,254.43	15,797.54
Profit before tax		5,483.83	4,136.73
Tax expenses			
Current tax		2,056.02	1,432.86
Deferred tax		(123.77)	(10.90)
Total tax expense		1,932.25	1,421.96
Profit for the year before minority interest		3,551.58	2,714.77
Less : Minority interest - Share of profit		17.90	1.60
Profit for the year		3,533.68	2,713.17
Earnings per equity share [nominal value of share Rs.2/-]	22		
Basic earnings per share (Rs/-)		4.20	3.23
Diluted earnings per share (Rs/-)		4.20	3.23
Summary of significant accounting policies	2.1		

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

As per our report of even date

For S.R Batliboi & Associates LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

per **Bharath NS**
Partner
Membership no.: 210934

V.P. Nandakumar
MD & CEO

Kapil Krishan
Chief Financial Officer

Place: Chennai
Date : May 12, 2016

Place: Valapad, Thrissur
Date : May 12, 2016

For and on behalf of the board of directors

B. N. Raveendra Babu
Executive Director

Ramesh Periasamy
Company Secretary

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Consolidated Cash Flow Statement

for the year ended March 31, 2016

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

	March 31, 2016	March 31, 2015
A. Cash flow from operating activities		
Net profit before taxation	5,483.83	4,136.73
Depreciation and amortization	557.81	540.23
Profit on sale of fixed assets	(6.92)	(7.10)
Net gain on sale of current investments	(33.87)	(80.53)
Provision for standard assets	190.66	32.66
Bad debts/advances written off / provision for non performing assets and provision for doubtful advances	232.69	249.30
Provision for Litigation claim	4.17	4.64
Operating profit before working capital changes	6,428.37	4,875.93
Movements in working capital :		
Increase/ (decrease) in trade payable	(8.90)	(117.60)
Increase/ (decrease) in other current liabilities and provisions	550.96	(645.80)
Increase/ (decrease) in long term provisions	24.69	1.98
Decrease / (increase) in long-term loans and advances	(3,769.39)	(1,026.85)
Decrease / (increase) in short-term loans and advances	(14,200.47)	(10,944.30)
Decrease / (increase) in other current assets	2,232.65	29.86
Increase / (decrease) in Other long term liabilities	143.87	355.88
Cash generated from /(used in) operations	(8,598.22)	(7,470.90)
Direct taxes paid (net of refunds)	(1,821.31)	(1,406.73)
Net cash flow from/ (used in) operating activities (A)	(10,419.53)	(8,877.63)
B. Cash flows from investing activities		
Purchase of fixed assets, including CWIP	(798.57)	(255.19)
Proceeds from sale of fixed assets	11.10	10.55
Purchase of current investments	(5,955.00)	(1,499.80)
Sale of current investments	7,666.99	7,493.33
Acquisition of subsidiaries	9.73	(490.34)
Redemption/ maturity of bank deposits (having original maturity of more than three months)	834.35	1,467.45
Investments in bank deposits (having original maturity of more than three months)	(1,052.34)	(743.09)
Net cash flow from/ (used in) investing activities (B)	716.26	5,982.91
C. Cash flows from financing activities		
Proceeds from Institutional debentures (long term)	1,500.00	459.58
Repayment of Institutional debentures (long term)	(1,250.51)	(1,227.04)
Proceeds from issuance of public debentures	-	4,785.52
Repayment of Public debentures	(1,505.35)	(455.61)
Preceeds from Retail Debenture	-	50.00
Repayment of Retail Debenture	(451.82)	(2,565.61)
Repayment of inter corporate deposits	-	(32.50)
Application money received for issue of redeemable non-convertible debenture	-	(2,000.00)
Proceeds from Commercial paper	70,266.49	65,711.98
Repayment of Commercial paper	(61,834.06)	(64,805.84)
Proceed from Vechile Loan	-	-
Repayment of Vechile Loan	(3.36)	(1.04)
Proceed from Finance Lease	81.03	-
Repayment of Finance Lease	(19.65)	-
Repayment of Subordinate Debt	(575.18)	(531.85)
Proceed from Term loan from Bank	120,890.00	110,840.00

Consolidated Cash Flow Statement

for the year ended March 31, 2016

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

	March 31, 2016	March 31, 2015
Repayment of Term Loan from Banks	(122,836.29)	(84,064.23)
Proceeds from Borrowings from others	3,412.80	58.76
Repayment of Borrowings from others	(1,507.42)	(1,621.52)
Proceeds / (Repayment) in working capital bank borrowings (net)	3,891.12	(20,600.76)
Repayment of Preference share capital in subsidiary	(50.00)	-
Preference dividend payment	(5.56)	-
Dividends paid	(1,892.74)	(1,135.64)
Tax on dividend paid	(385.31)	(215.71)
Net cash flow from/ (used in) in financing activities (C)	7,724.20	2,648.49
Net increase/(decrease) in cash and cash equivalents (A + B + C)	(1,979.07)	(246.23)
Cash and cash equivalents at the beginning of the year	6,767.25	6,509.47
Add: Cash and cash equivalent acquired as part of subsidiary acquisition	1.67	504.01
Cash and cash equivalents at the end of the year	4,789.86	6,767.25
Components of cash and cash equivalents		
Cash on hand	1,269.65	1,517.25
With banks		
- in current account	3,034.90	4,730.36
- in deposit account	-	105.00
- in escrow account*		
Unpaid matured deposit account	0.07	0.07
Unpaid auction surplus deposit	446.71	390.21
Unpaid dividend account	38.53	24.36
Total cash and cash equivalents (note 15)	4,789.86	6,767.25

*The Company can utilize these balances only towards settlement of the respective unpaid dividend, unpaid matured deposits and unpaid auction surplus.

For S.R Batliboi & Associates LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

per **Bharath NS**
Partner
Membership no.: 210934

V.P. Nandakumar
MD & CEO

Kapil Krishan
Chief Financial Officer

Place: Chennai
Date : May 12, 2016

Place: Valapad, Thrissur
Date : May 12, 2016

For and on behalf of the board of directors

B. N. Raveendra Babu
Executive Director

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Company Secretary

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Note: 1

1) Nature of operations

Manappuram Finance Limited ('MAFIL' or 'the Company' or 'the Holding Company') was incorporated on July 15, 1992 in Thrissur, Kerala. The Company is a Non Banking Finance Company ('NBFC'), which provides a wide range of fund based and fee based services including gold loans, money exchange facilities, etc. The Company currently operates through 3,293 branches spread across the country. The Company is a Systemically Important Non-Deposit taking NBFC.

The Company has three subsidiaries, Manappuram Home Finance ('MHF'), Manappuram Insurance Brokers Private Limited ('MAIBRO') and Asirvad Microfinance Private Limited ('Asirvad') which is incorporated in India. The Company along with the Subsidiaries is collectively referred to as "Group".

MHF, a wholly owned subsidiary of the Company, was incorporated in the year 2010. MHF is a housing finance company registered with National Housing Bank under the provision of National Housing Bank Act, 1987. The Company acquired 100% share capital of Milestone on March 12, 2014.

Asirvad, was incorporated in the year 2007. Asirvad is a micro finance company registered with Reserve Bank of India under the provision of Reserve Bank of India Act, 1934. The Company acquired 84.98% share capital of Asirvad in FY 14-15. The Company has made further investment and the shareholding as at March 31, 2016 is 90.38%.

The Consolidated Financial Statements ('the CFS') relate to the Group. The CFS has been prepared in accordance with (AS-21) "Consolidated Financial Statements", under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014.

The subsidiaries companies considered in these consolidated financial statements are:

Name of the Company	Relationship	Country of Incorporation	Proportion of ownership interest
Manappuram Home Finance Private Limited	Subsidiary	India	100%
Asirvad Microfinance Private Limited	Subsidiary	India	90.38%
Manappuram Insurance Brokers Private Limited	Subsidiary	India	100%

NOTE: 2

2) Basis of preparation

- a) The CFS of the Group has been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). 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 Board (NHB) as applicable to a non deposit accepting NBFC. The CFS has been prepared under the historical cost convention and on an accrual basis except for interest and discounts on non-performing assets which are recognized on realization basis.

The accounting policies adopted in the preparation of CFS are consistent with those of previous year.

- b) The CFS of the Group has been prepared based on a line-by-line consolidation of the Balance Sheet, as at March 31, 2016 and Statement of profit and loss and cash flows of the Company and its Subsidiaries for the year ended March 31, 2016.
- c) 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, 2016.

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- d) All material inter-company transactions and balances between the entities have been eliminated in the CFS.
- e) 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.
- f) 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 being an asset in the consolidated financial statements.
- g) 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.

2.1) Statement of significant accounting policies

a) Use of estimates

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

b) Fixed assets

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

c) Depreciation

Depreciation is provided using straight line method (except for one of the subsidiaries, which is following written down value method) at the following rates, which is management's estimate of the useful lives of the assets

Nature of asset	Useful life in years
Computer equipment	3
- End user equipment	3-6
- Server*	
Furniture and fixtures	10
- Safe and strong rooms	3-10
- Others*	
Office equipment *	3-10
Buildings	30
Vehicles	8
Plant & machinery	15

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

d) Intangible assets – Computer software & licenses

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

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Intangible assets are amortized on a straight line basis over the estimated useful economic life of 6 years.

The amortization period and the amortization method are reviewed at least at each financial year end.

e) Impairment of tangible and intangible assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

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

f) Leases

Finance leases, which effectively transfer to the Lessee substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the statement of profit and loss. Lease management fees, legal charges and other initial direct costs of lease are capitalized.

A leased asset is depreciated on a straight-line basis over the useful life of the asset. However, if there is no reasonable certainty that the company will obtain the ownership by the end of the lease term, the capitalized asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset or the lease term.

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

g) Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Any inter class transfer should be with the approval of the board and as per RBI regulation.

Current investments are carried at lower of cost and fair value determined on an individual investment basis. Quoted current investments for each category is valued at cost or market value whichever is lower. Unquoted investments in the units of mutual fund in the nature of current investment are also carried at lower of cost and fair value determined on an individual investment basis.

Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

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h) Revenues

Interest Income

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. In a situation where management believes that the recovery of interest is uncertain due to change in the price of the gold or otherwise, the Group recognizes income on such loans only to the extent it is confident of recovering interest from its customers through sale of underlying security or otherwise.

Interest income on loans given is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable. Such interests, where instalments are overdue in respect of non-performing assets are recognized on realization basis. Any such income recognized and remaining unrealized after they become overdue in respect of standard gold loans accounts are reversed based on Management's estimate of ultimate realisation of the underlying security.

Income on securitization

In respect of the receivables securitized / assigned, losses arising are recognized in the Statement of Profit and Loss immediately upon receipt of sale consideration. Gains arising from the transaction are amortized over the tenor of the transaction. Reversal of gains proportionate to the amount prepaid by the borrowers is also provided for during the year of prepayment.

Others

Commission income on marketing of products is recognised accrual basis when the service is rendered taking into account the number of units sold at the rates applicable according to the terms of the agreement.

Commission income on the other services is recognised on accrual basis when the service is rendered at the rates applicable in accordance with the terms of the agreement.

Revenues from fee-based activities are recognized as and when services are rendered.

Interest on deposits is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Fee income on loans sourced on behalf of other business partners is recognized on accrual basis according to the terms of the agreement.

Loan processing fee is recognized upfront by the Group except in one subsidiary where loan processing fee is recognized over the life of the loan on a straight line basis.

Commission from insurance companies is being recognised on acceptance of insurance policy by the insurance companies.

i) Employee benefits

- i. Retirement benefit in the form of Provident Fund is a defined contribution scheme. The Group has no obligation payable to the provident fund. The Group recognizes contribution payable to the provident fund scheme as expenditure, when an employee renders the related service. If the contribution payable to the scheme for the service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as the liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

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- ii. Gratuity liability under the Payment of Gratuity Act which is a defined benefit scheme is accrued and provided for on the basis of an actuarial valuation as per projected unit credit method made at the end of each financial year.
- iii. Actuarial gains / losses are immediately taken to statement of profit and loss and are not deferred.
- iv. Employee stock compensation cost - Measurement and disclosure of the employee share-based payment plans is done in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India. The Group measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense, if any, is amortized over the vesting period of the option on a straight line basis.

j) Leave benefit plan

No carry forward of accumulated leave is allowed in Holding Company and its subsidiary company MHF, however Asirvad and MAIBRO has leave benefit plan and the same has been recognized based on the following.

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date less the fair value of the plan assets out of which the obligations are expected to be settled.

k) Foreign currency transactions

(i) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

(iii) Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous CFS, are recognized as income or as expenses in the year in which they arise.

l) Borrowing costs

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) Income Tax

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. Deferred

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income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

At each balance sheet date the Group re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

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

n) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average numbers of equity shares outstanding during the period are adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split, if any.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

o) Provisions

(i) A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

Loan and other credit facilities are classified as per the Reserve Bank of India (RBI) and National Housing Bank (NHB) guidelines, into performing and non-performing assets. Further non-performing assets are classified into sub-standard, doubtful and loss assets and provision made based on the criteria stipulated by RBI and NHB guidelines. Additional provision are made against specific non-performing assets over and above stated in RBI and NHB guidelines, if in the opinion of the management, increased provisions are necessary.

(ii) Provision for credit enhancements on assets derecognized is made based on Management estimates @ 1% of the outstanding amount of assets de-recognized from the books of the company as at the Balance Sheet Date.

p) Segment reporting

The Group operates in a single reportable segment i.e., financing, which has similar risks and returns for the purpose of AS 17 on 'Segment Reporting'. The Company operates in a single geographical segment i.e., domestic.

q) Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

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r) Ancillary borrowing costs

Ancillary borrowings costs incurred for the issue of debentures and other long term borrowings are expensed over the tenure of the loan.

s) Securities issue expenses

Expenses incurred in connection with issue of shares are adjusted (net of tax effects, if any) against the securities premium account in accordance with Section 52 of the Companies Act, 2013.

Public issue expenses incurred in connection with issue of debentures are amortized over the term of the debenture.

t) Insurance claims

Insurance claims are accrued for on the basis of claims admitted and/or to the extent there is no uncertainty in receiving the claims. The Group re-assesses the claims made at each reporting period for recoverability.

u) Surplus on auction of pledged gold

The Group has a policy of refund of any surplus that arises on auction of pledged gold which has been re-possessed by the Group in accordance with the terms of the agreement with the customers.

v) Expenditure on Corporate Social Responsibility (CSR)

The Group accounts the expenditure incurred towards Corporate Social Responsibility as required under the Act as a charge to the statement of profit and loss account.

w) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the CFS as there is no indication of the uncertainties relating to any outflow.

x) Goodwill on acquisition

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash generating unit is less than the carrying amount, an impairment loss is recognized in statement of profit loss.

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

Components of consolidated financial statements	Particulars	March 31, 2016	% of the total component	March 31, 2015	% of the total component
Depreciation	One of the subsidiaries have provided depreciation on written down value method as against straight line method followed by the Company	19.78	3.55%	1.32	0.25%
Accumulated depreciation	One of the subsidiaries have provided depreciation on written down value method as against straight line method followed by the Group	38.07	1.31%	19.10	0.82%
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	61.80	30.56%	5.60	5.17%
Income received in advance (unearned revenue)	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	71.51	100%	56.42	100%

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NOTE: 3

Share Capital

	As at March 31, 2016	As at March 31, 2015
Authorized shares		
980,000,000 (March 31, 2015: 980,000,000) equity shares of Rs.2/- each	1,960.00	1,960.00
400,000 (March 31, 2015: 400,000) redeemable preference shares of Rs.100/- each	40.00	40.00
Issued, subscribed and fully paid-up shares		
Equity shares		
841,207,136 (31 March 2015: 841,207,136) equity shares of Rs.2/- each	1,682.41	1,682.41
Total issued, subscribed and fully paid-up share capital	1,682.41	1,682.41

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

	March 31, 2016		March 31, 2015	
	No. millions	₹ (in millions)	No. millions	₹ (in millions)
At the beginning of the year	841.20	1,682.41	841.20	1,682.41
Outstanding at the end of the year	841.20	1,682.41	841.20	1,682.41

b. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs.2/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the period ended 31 March 2016, the amount of per share dividend recognized as distributions to equity shareholders was Rs.2.25 per share (31 March 2015: Rs 1.35/- per share).

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Aggregate number of bonus shares issued, and shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

	March 31, 2016 No. millions	March 31, 2015 No. millions
Equity shares allotted as fully paid bonus shares by capitalization of securities premium, general reserve and capital redemption reserve.	614.56	614.56

In addition, the Company has issued 11,213,880 equity shares (March 31, 2015: 11,213,880) during the period of five years immediately preceding the reporting date on exercise of options granted under the employee stock option plan (ESOP) wherein part consideration was received in form of employee services.

d. Details of shareholders holding more than 5% shares in the Company (Equity shares of Rs.2/- each fully paid)

	March 31, 2016		March 31, 2015	
	No. millions	% holding in the class	No. millions	% holding in the class
Mr.Nandakumar V P	230.94	27.45	222.54	26.45
Ms Sushama Nandakumar	48.00	5.71	48.00	5.71
Baring India Private Equity Fund III	79.36	9.43	79.36	9.43
Smallcap World Fund Inc	-	-	54.93	6.53
Hudson Equity Holdings Ltd	-	-	44.55	5.30

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As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

NOTE: 4

Reserves and Surplus

	As at March 31, 2016	As at March 31, 2015
Securities premium account		
Balance as per the last Consolidated Financial Statements	13,699.05	13,699.17
Closing Balance	13,699.05	13,699.17
Statutory reserve		
Balance as per the last Consolidated Financial Statements	3,660.75	3,067.88
Add: On acquisition	2.33	48.74
Add: Transfer to Reserve fund as per RBI Act, 1934	722.41	544.13
Closing Balance	4,385.49	3,660.75
Debenture Redemption reserve		
Balance as per the last Consolidated Financial Statements	549.04	113.90
Add: amount transferred from surplus balance in the Statement of Profit and Loss (refer note 4 (b))	169.91	435.14
Closing Balance	718.95	549.04
Capital Redemption reserve		
Balance as per the last Consolidated Financial Statements	-	-
Add: amount transferred from surplus balance in the Statement of Profit and Loss	50.00	-
Closing Balance	50.00	-
General reserve		
Balance as per the last Consolidated Financial Statements	3,885.08	3,885.08
Closing Balance	3,885.08	3,885.08
Surplus in the Consolidated Statement of Profit and Loss		
Balance as per the last Consolidated Financial Statements	2,851.54	2,468.99
Profit for the year	3,533.68	2,713.17
Less: Appropriations		
Transfer to debenture redemption reserve	169.91	435.14
Interim dividend on equity shares	1,892.74	1,135.64
Tax on interim dividend on equity shares	385.31	215.71
Dividend distributed to Preference shares holders by subsidiary	5.56	-
Transfer to Statutory reserve	722.41	544.13
Transfer to Capital redemption reserve	50.00	-
Total appropriations	3,225.93	2,330.62
Net surplus in the Consolidated statement of Profit and Loss	3,159.29	2,851.54
Total reserves and surplus	25,897.95	24,645.58

Notes:

- Pursuant to Section 71 of the Companies Act, 2013 and circular 04/2013, issued by Ministry of Corporate Affairs, the Company is required to transfer 25% of the value of the debentures issued through public issue as per the present SEBI (Issue and Listing of Debt Securities) Regulation, 2008 to Debenture Redemption Reserve (DRR) and no DRR is required in case of privately placed debenture. Also the Company is required before 30th day of April of each year to deposit or invest, as the case may be, a sum which shall not be less than 15% of the amount of its debenture issued through public issue maturing within one year from the balance sheet date.
- In respect of the debentures issued through public issue, the Company maintains DRR at higher of 25% of the value of such debentures due for redemption in the following financial year or 25% of the prorata amount calculated based on the weighted average maturity of the debentures issued through public issue outstanding at the balance sheet date. The Company has created DRR of Rs 718.95 as at March 31, 2016 (Previous Year March 31, 2015 Rs.549.04). The Company subsequent to the year-end has deposited a sum of Rs. 189.08 (previous year March 31, 2015 Rs 255.13) in the form of fixed deposits with scheduled banks, representing 15% of the debenture issued through public issue, which are due for redemption within one year from the balance sheet date net of redemption before April 30, 2016.

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NOTE: 5

Long-term borrowings

	Non-current portion		Current maturities	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Sub-ordinated debt (Unsecured)				
Subordinate debt from banks	500.00	1,500.00	1,000.00	-
Subordinate bonds from others	417.99	1,225.30	807.31	575.17
Debentures (Secured)				
Non-convertible Debentures - Private placement	3,803.14	3,470.28	948.61	1,483.78
Non-convertible Debentures - Public issue	3,284.84	4,824.56	1,539.72	1,505.35
Term loans				
Indian rupee loan from banks (secured)	6,615.90	5,077.46	6,891.19	12,785.91
Indian rupee loan from others (secured)	1,348.35	319.19	1,327.65	539.06
Indian rupee loan from others (Unsecured)	-	-	157.53	11.14
Vehicle loans (Secured)	-	2.35	1.45	2.46
Finance lease obligation (secured)	29.86	-	31.52	-
	16,000.07	16,419.14	12,704.97	16,902.87
The above amount includes				
Secured borrowings	15,082.09	13,693.84	10,740.14	16,316.56
Unsecured borrowings	917.99	2,725.30	1,964.84	586.31
Amount disclosed under the head "other current liabilities" (note 8)	-	-	(12,704.97)	(16,902.87)
Net amount	16,000.07	16,419.14	-	-

A) Indian rupee loan from banks (secured)

As at March 31, 2016

Terms of repayment

Tenure (from the date of Balance Sheet)	Rate of Interest	Non current portion	Current Maturities
Due within 2-5 years	10.45 -11.30%	423.08	-
Due within 1-2 years	9.95 -11.30%	3,825.77	-
Due within 1 year	9.50 -11.30%	-	5,160.77
Total		4,248.85	5,160.77

These are secured by an exclusive charge by way of hypothecation of book debts pertaining to loans granted against gold and margin/cash collateral as per the agreement. Further, the loan has been guaranteed by personal guarantee of Mr. V.P Nandakumar, Managing Director and CEO.

As at March 31, 2015

Terms of repayment

Tenure (from the date of Balance Sheet)	Rate of Interest	Non current portion	Current Maturities
Due within 4-5 years	10.50 -12.25%	25.64	11,039.73
Due within 1-2 years	12.25 -12.75%	4,636.54	863.46
Due within 1 year	13.00 -13.25%	-	217.00
Total		4,662.18	12,120.19

These are secured by an exclusive charge by way of hypothecation of book debts pertaining to loans granted

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against gold and margin/cash collateral as per the agreement. Further, the loan has been guaranteed by personal guarantee of Mr. V.P Nandakumar, Managing Director and CEO.

B) Indian rupee loan from others (Unsecured)

As at March 31, 2016

Terms of repayment

Tenure (from the date of Balance Sheet)	Rate of Interest	Non current portion	Current Maturities
Due within One year	12.30 -13.75 %	-	157.53
Total		-	157.53

As at March 31, 2015

Terms of repayment

Tenure (from the date of Balance Sheet)	Rate of Interest	Non current portion	Current Maturities
Due within 1-2 years	12.30 -13.75 %		11.14
Total		-	11.14

C) Vehicle loans (Secured loans)

As at March 31, 2016

Terms of repayment

Tenure (from the date of Balance Sheet)	Rate of Interest		Total Amount
	< 10% Amount	>= 10% < =12% Amount	
Due within 2-3 years	-	-	-
Due within 1-2 years			-
Due within 1 year	0.47	-	0.47
Grand Total	0.47	-	0.47
Non current portion			-
Current Maturities			0.47

The loans are secured by hypothecation of the respective vehicles against which the loan has been availed.

As at March 31, 2015

Terms of repayment

Tenure (from the date of Balance Sheet)	Rate of Interest		Total Amount
	< 10% Amount	>= 10% < =12% Amount	
Due within 1-2 years	0.47	1.88	2.35
Due within 1 year	0.76	1.70	2.46
Grand Total	1.23	3.58	4.81
Non current portion			2.35
Current Maturities			2.46

The loans are secured by hypothecation of the respective vehicles against which the loan has been availed.

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- D)** Subordinate debt from banks as at March 31, 2016 aggregating Rs. 1,000 (March 31, 2015 Rs 1,000) which carries an interest rate of 14.00% (floating - BR + 3.75%) is repayable at the end of five years and six months from the date of the loan viz. December 13, 2010, and Rs 500 as at September 30, 2015, (Rs 500 as at March 31, 2015) which carries an interest rate of 13.55% (floating - BR + 3.30%) is repayable at the end of five years and six months from the date of the loan viz. January 28, 2012.

- E)** Finance lease obligation is secured by hypothecation of Computers taken on lease. The interest rate implicit in the lease is 11% p.a. The gross investment in lease, i.e., lease obligation plus interest, is payable in 12 quarterly installments of approx. Rs. 4.94 million each.

F) Indian rupee loan from banks (secured)

As at March 31, 2016

Particulars	Non current portion	Current Maturities
Base Rate	1.55	11.26
Base Rate+Spread	1,590.11	1,594.39
Fixed	100.00	100.00
Total	1,691.66	1,705.65

As at March 31, 2015

Terms of repayment

Particulars	Non current portion	Current Maturities
Base Rate	13.08	9.05
Base Rate+Spread	402.20	656.67
Total	415.28	665.72

All loans are secured by hypothecation of the Book Debts receivable under Micro Finance Loans.

G) Indian rupee loan from others (secured)

As at March 31, 2016

Particulars	Non current portion	Current Maturities
Base Rate+Spread	378.71	164.44
Fixed	970.03	1,163.21
Total	1,348.74	1,327.65

As at March 31, 2015

Terms of repayment

Particulars	Non current portion	Current Maturities
Fixed	319.19	539.07
Total	319.19	539.07

All loans are secured by hypothecation of the Book Debts receivable under Micro Finance Loans.

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H) Indian rupee loan from banks (secured)

As at March 31, 2016

Particulars	Non current portion	Current Maturities
Fixed	675.00	25.00
Total	675.00	25.00

These are secured by an exclusive charge by way of pari passu first charge on housing loans receivables of the Manappuram Home Finance which are regular as per NHB Guidelines.

Subordinate bonds from others:

Subordinate bonds have a face value of Rs 1,000/- each. Details of rate of interest and maturity pattern from the date of the balance sheet is as under:

As at March 31, 2016

Redeemable at par within	Rate of interest							
	< 12%		>= 12% < 14%		> =14%<=15%		Total	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Due above 5 years	-	-	19,924	19.92	16,005	16.01	35,929	35.93
Due within 4-5 years	6,857	6.86	10,589	10.59	-	-	17,446	17.45
Due within 3-4 years	413	0.41	2,937	2.94	2,309	2.31	5,659	5.66
Due within 2-3 years	-	-	-	-	4,965	4.97	4,965	4.97
Due within 1-2 years	-	-	139,795	139.79	214,189	214.19	353,984	353.98
Due within 1 year	-	-	531,843	531.84	275,466	275.47	807,309	807.31
Grand Total	7,270	7.27	705,088	705.08	512,934	512.95	1,225,292	1,225.29
Non-current portion								417.99
Current maturities								807.31
Total								1,225.29

As at March 31, 2016

Redeemable at par within	Rate of interest							
	< 12%		>= 12% < 14%		> =14%<15%		Total	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Due above 5 years	6,857	6.86	30,513	30.51	16,005	16.01	53,375	53.38
Due within 4-5 years	413	0.41	2,937	2.94	2,309	2.31	5,659	5.66
Due within 3-4 years	-	-	-	-	4,965	4.97	4,965	4.97
Due within 2-3 years	-	-	139,795	139.79	214,189	214.19	353,984	353.98
Due within 1-2 years	-	-	531,843	531.84	275,466	275.47	807,309	807.31
Due within 1 year	116,533	116.53	435,254	435.25	23,391	23.39	575,178	575.17
Grand Total	123,803	123.80	1,140,342	1,140.33	536,325	536.34	1,800,470	1,800.47
Non-current portion								1,225.30
Current maturities								575.17
Total								1,800.47

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Debentures (Secured)

i) Private placement retail - Redeemable Non Convertible Debentures of Rs. 1,000/- each.

As at March 31, 2016

Terms of repayment

Redeemable at par within	Rate of interest							
	< 10%		>= 10% < 12%		>= 12% < 14%		>= 14% < 16%	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Due within 4-5 years	-	-	-	-	-	-	-	-
Due within 3-4 years	-	-	-	-	-	-	-	-
Due within 2-3 years	-	-	-	-	1,146,540	1,146.54	434,038	434.04
Due within 1-2 years	-	-	20,000	20.00	104,961	104.96	167,267	167.27
Due within 1 year	-	-	7,500	7.50	38,115	38.12	336	0.34
Grand Total	-	-	27,500	27.50	1,289,616	1,289.62	601,641	601.65
Non-current portion								1,872.81
Current maturities								45.96
Total								1,918.77

As at March 31, 2015

Terms of repayment

Redeemable at par within	Rate of interest							
	< 10%		>= 10% < 12%		>= 12% < 14%		>= 14% < 16%	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Due within 4-5 years	-	-	-	-	-	-	-	-
Due within 3-4 years	-	-	-	-	1,258,723	1,258.72	452,938	452.94
Due within 2-3 years	-	-	20,000	20.00	108,866	108.87	169,913	169.91
Due within 1-2 years	-	-	7,500	7.50	38,195	38.19	336	0.34
Due within 1 year	-	-	6,176	6.18	279,288	279.29	28,644	28.64
Grand Total	-	-	33,676	33.68	1,685,072	1,685.07	651,831	651.83
Non-current portion								2,056.47
Current maturities								314.11
Total								2,370.58

Nature of Security

Secured by a floating charge on the book debts of the Company on gold and other unencumbered assets. The Company shall maintain 100% security cover on the outstanding balance of debenture with accrued interest any time. Debentures are offered for a period of 366 days to 65 Months.

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Debentures (Secured)

ii) Private Placement Institutional- Issue of Redeemable Non-convertible Debentures of Rs. 100,000/- each As at March 31, 2016

Terms of repayment

Date of allotment	Number	Amount outstanding	Interest Rate	Redeemable at par on	Security
17-Jun-11	400	40.00	12.50%	17-Jun-16	Secured by first pari passu charge on the receivable of the Company with minimum asset cover ratio of 1.10 times and immovable property*
27-May-11	84	8.40	12.25%	27-May-16	
27-May-11	3,880	388.00	12.50%	27-May-16	
Total	4,364	436.40			
Non-current portion		-			
Current maturities		436.40			
Total		436.40			

As at March 31, 2015

Terms of repayment

Date of allotment	Number	Amount outstanding	Interest Rate	Redeemable at par on	Security
17-Jun-11	400	40.00	12.50%	17-Jun-16	Secured by first pari passu charge on the receivable of the Company with minimum asset cover ratio of 1.10 times and immovable property*
27-May-11	84	8.40	12.25%	27-May-16	
27-May-11	3,880	388.00	12.50%	27-May-16	
31-Mar-11	1,312	131.20	12.25%	31-Mar-16	
28-Mar-11	2,640	264.00	12.25%	28-Mar-16	
17-Jun-11	300	30.00	12.50%	17-Jun-15	
27-May-11	63	6.30	12.25%	27-May-15	
27-May-11	2,910	291.00	12.50%	27-May-15	
Total	11,589	1,158.90			
Non-current portion		436.40			
Current maturities		722.50			
Total		1,158.90			

*Immovable property shall mean the commercial premises of the Company at Kole Kalyan, Santacruz (East) Mumbai.

iii) Private Placement -Institutional issue of Redeemable Non-convertible Debentures of Rs. 1,000,000/- each As at March 31, 2016

Terms of repayment

Date of allotment	Number	Amount outstanding	Interest Rate	Redeemable at par on	Put and Call option
31-Dec-12	400	400.00	12.80%	31-Dec-17	None
9-Jan-13	116	116.00	12.40%	09-Jan-18	None
1-Feb-13	250	250.00	12.80%	01-Feb-18	None
20-Mar-13	1	1.00	12.40%	20-Mar-18	None
20-Mar-13	30	30.00	13.25%	20-Mar-23	None
Total	797	797.00			
Non-current portion		797.00			
Current maturities		-			
Total		797.00			

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As at March 31, 2015

Terms of repayment

Date of allotment	Number	Amount outstanding	Interest Rate	Redeemable at par on	Put and Call option
18-Feb-14	100	100.00	11.71% (Zero Coupon)	04-May-15	None
20-Mar-13	16	16.00	12.25%	20-Mar-16	None
31-Dec-12	400	400.00	12.80%	31-Dec-17	None
9-Jan-13	116	116.00	12.40%	09-Jan-18	None
1-Feb-13	250	250.00	12.80%	01-Feb-18	None
20-Mar-13	1	1.00	12.40%	20-Mar-18	None
20-Mar-13	30	30.00	13.25%	20-Mar-23	None
9-Jan-13	52	52.00	12.25%	09-Jan-16	None
Total	965	965.00			

Non-current portion 797.00

Current maturities 168.00

Total 965.00

Nature of Security

Secured by present and future gold loan receivable of the Company with minimum asset cover ratio of 1.10 times.

iv) Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each

As at March 31, 2016

Terms of repayment

Date of allotment	Number	Amount	Interest Rate	Redeemable at par on
5-Apr-14	127,579	127.58	11.50%	5-Apr-16
5-Apr-14	264,285	264.29	12.00%	5-Apr-16
18-Oct-14	165,683	165.68	11.00%	18-Oct-16
18-Oct-14	135,403	135.40	11.25%	18-Oct-16
28-Jan-14	539,297	539.30	12.25%	28-Jan-17
28-Jan-14	307,469	307.47	12.50%	28-Jan-17
5-Apr-14	585,064	585.06	12.25%	5-Apr-17
5-Apr-14	315,100	315.10	12.50%	5-Apr-17
18-Oct-14	1,137,977	1,137.98	11.50%	18-Oct-17
18-Oct-14	668,597	668.60	11.75%	18-Oct-17
28-Jan-14	4,919	4.92	11.50%	28-Jan-19
28-Jan-14	11,140	11.14	12.00%	28-Jan-19
5-Apr-14	5,012	5.01	11.50%	5-Apr-19
5-Apr-14	8,447	8.45	12.00%	5-Apr-19
18-Oct-14	22,024	22.02	11.25%	18-Oct-19
18-Oct-14	12,970	12.97	11.50%	18-Oct-19
28-Jan-14	175,298	175.30	12.61%	28-Nov-19
5-Apr-14	187,771	187.77	12.61%	5-Feb-20
18-Oct-14	150,523	150.52	11.70%	18-Jan-21
Total	4,824,558	4,824.56		

Non-current portion 3,284.84

Current maturities 1,539.72

Total 4824.56

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As at March 31, 2015

Terms of repayment

Date of allotment	Number	Amount	Interest Rate	Redeemable at par on
05-Apr-14	506,742	506.74	11.00%	10-May-15
18-Oct-14	492,340	492.34	10.50%	22-Nov-15
28-Jan-14	142,857	142.86	11.50%	28-Jan-16
28-Jan-14	363,414	363.41	12.00%	28-Jan-16
05-Apr-14	127,579	127.58	11.50%	05-Apr-16
05-Apr-14	264,285	264.29	12.00%	05-Apr-16
18-Oct-14	165,683	165.68	11.00%	18-Oct-16
18-Oct-14	135,403	135.40	11.25%	18-Oct-16
28-Jan-14	539,297	539.30	12.25%	28-Jan-17
28-Jan-14	307,469	307.47	12.50%	28-Jan-17
05-Apr-14	585,064	585.06	12.25%	05-Apr-17
05-Apr-14	315,100	315.10	12.50%	05-Apr-17
18-Oct-14	1,137,977	1,137.98	11.50%	18-Oct-17
18-Oct-14	668,597	668.60	11.75%	18-Oct-17
28-Jan-14	4,919	4.92	11.50%	28-Jan-19
28-Jan-14	11,140	11.14	12.00%	28-Jan-19
05-Apr-14	5,012	5.01	11.50%	05-Apr-19
05-Apr-14	8,447	8.45	12.00%	05-Apr-19
18-Oct-14	22,024	22.02	11.25%	18-Oct-19
18-Oct-14	12,970	12.97	11.50%	18-Oct-19
28-Jan-14	175,298	175.30	12.61%	28-Nov-19
5-Apr-14	187,771	187.77	12.61%	5-Feb-20
18-Oct-14	150,523	150.52	11.70%	18-Jan-21
Total	6,329,911	6,329.91		

Non-current portion 4,824.56

Current maturities 1,505.35

Total 6,329.91

Nature of Security

Secured by mortgage of the immovable property of the Company and a charge on all book debts and other current assets as fully described in the debenture trust deed except those receivables exclusively charged, on a first ranking pari passu basis with all other lenders to the Company holding pari passu charge over security.

The Company shall maintain an asset cover of at least 1.10 times of the outstanding amount of debenture, at all times, till the debentures are completely redeemed.

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v) Secured, Redeemable Non-convertible Debentures

As at March 31, 2016

Terms of repayment

Date of Allotment	No.of. Debentures	Face Value	Balance as at 31 Mar 2016	Int Rate	Due date of redemption
7-Apr-14	120	500,000	2.50	14.00%	1-Apr-16
30-Jul-14	65	1,000,000	10.83	13.75%	16-Jul-16
16-Sep-14	75	1,000,000	18.75	13.25%	16-Sep-16
31-Jul-14	100	1,000,000	33.33	12.55%	17-Jan-17
2-Dec-14	140	1,000,000	46.67	13.50%	16-Dec-16
23-Jan-15	150	1,000,000	62.50	13.25%	17-Jan-17
13-May-15	100	1,000,000	100.00	14.50%	18-Dec-20
23-Jul-15	4,235	5,000	13.23	11.84%	24-Jan-17
23-Jul-15	9,882	5,000	30.88	11.84%	24-Jan-17
23-Jul-15	3,294	5,000	26.47	11.84%	24-Jan-17
23-Jul-15	8,471	5,000	10.29	11.84%	24-Jan-17
23-Jul-15	14,118	5,000	44.12	11.84%	24-Jan-17
19-Aug-15	500	1,000,000	500.00	13.52%	20-Aug-18
28-Mar-16	700	1,000,000	700.00	13.53%	27-Mar-21
Total	41,250		1,599.58		

Non-current portion 1,133.33

Current maturities 466.25

Total 1,599.58

As at March 31, 2015

Terms of repayment

Date of Allotment	No.of. Debentures	Face Value	Balance as at 31 Mar, 2015	Int Rate	Due date of redemption
7-Apr-14	120.00	500,000	32.50	14.00%	01-Apr-16
30-Jul-14	65.00	1,000,000	43.33	13.75%	16-Jul-16
16-Sep-14	75.00	1,000,000	56.25	13.25%	16-Sep-16
31-Jul-14	100.00	1,000,000	73.33	12.55%	17-Jan-17
2-Dec-14	140.00	1,000,000	116.67	13.50%	16-Dec-16
23-Jan-15	150.00	1,000,000	137.50	13.25%	17-Jan-17

Non-current portion 180.41

Current maturities 279.17

Total 459.58

Nature of Security

The NCDs are secured by charge on specific loans and receivables of the Company.

NOTE: 6

Other long term liabilities

	As at March 31, 2016	As at March 31, 2015
Interest accrued but not due on long term borrowings	1,038.15	886.07
Security deposits from employees	199.65	207.82
Others	-	0.04
	1,237.80	1,093.93

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NOTE: 7

Short-term borrowings

	As at March 31, 2016	As at March 31, 2015
Cash credit / Overdraft facilities from banks (secured)	12,853.87	8,962.75
Working Capital demand loan from banks (secured)	45,479.99	43,070.00
Working Capital demand loan from others (unsecured)	-	58.76
Loan from Related party (unsecured)	1.80	-
Commercial Papers (unsecured)	9,338.57	906.14
	67,674.23	52,997.65
The above amount includes		
Secured borrowings	58,333.86	52,032.75
Unsecured borrowings	9,340.37	964.90
Total	67,674.23	52,997.65

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

	March 31, 2016	March 31, 2015
Secured by hypothecation of specific/paripassu assets covered and Margin/cash collateral under hypothecation agreements. The loans have been guaranteed by personal guarantee of Mr. V.P Nandakumar, Managing Director & CEO	58,333.86	52,032.75
Total	58,333.86	52,032.75

The cash credit is repayable on demand and carries interest @ 9.85% to 12.05% p.a.

Commercial papers carry interest rates of 9.23% to 10.25% and their tenor ranges from 59 days to 90 days.

NOTE: 8

Other current liabilities

	As at March 31, 2016	As at March 31, 2015
Trade Payables (A) (refer note 8 (A))		
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	250.71	259.22
	250.71	259.22
Current maturities of long-term borrowings (note 5) (Includes current maturity of finance lease obligation Rs.31.52 million)	12,704.97	16,902.87
Interest accrued but not due on borrowings	661.83	494.48
Interest accrued and due on borrowings	-	3.19
Statutory dues payable	87.34	99.94
Employee related payables	366.18	241.85
Auction surplus	462.74	380.60
Income received in advance (unearned revenue)	89.53	56.42
Investor Education and Protection Fund will be credited by following amounts (as and when due)		
Unclaimed matured Non convertible debenture	13.83	8.62
Unclaimed dividend	38.52	24.34
Unclaimed matured deposits	0.07	0.07
Unpaid Interest - NCD/Bond	3.99	4.79
Unclaimed matured subordinate bonds	21.19	20.61
Advance from MAS Financial Services Limited (Refer Note 36)	23.83	38.86
Others	179.30	72.51
Total (B)	14,653.32	18,349.15
Total (A+B)	14,904.03	18,608.37

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Note 8(A): There are no Micro and Small Enterprises, to whom the Group owes dues, which are as at March 31, 2016 and March 31, 2015. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

NOTE: 9

Short term provisions

	Non-current portion		Current maturities	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Provision for employee benefits				
Provision for gratuity	-	-	65.27	39.23
Provision for leave encashment	4.24	-	0.74	1.59
	4.24	-	66.01	40.82
Other provisions				
Provision for non performing assets	2.47	-	218.51	184.04
Provision for tax on Preference dividend			-	0.70
Provision for standard assets	25.20	6.96	423.81	248.70
Provision for credit enhancement on asset derecognised	-	0.26	13.78	5.51
Provision for litigation			29.02	24.85
	27.67	7.22	685.12	463.80
	31.91	7.22	751.13	504.62

The table below gives information about movement in provision for litigation claim .

	As at March 31, 2016	As at March 31, 2015
At the beginning of the year	24.85	20.21
Arising during the year	4.17	4.64
Utilized during the year	-	-
Unused amounts reversed	-	-
At the end of the year	29.02	24.85
Current portion	29.02	24.85
Non-current portion	-	-

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NOTE: 10A

Tangible assets

	Freehold Land	Building	Office equipment	Electrical Installation	Computer equipment **	Furniture and Fittings	Vehicle*	Plant & Machinery	Total
Cost									
At 1 April 2014	81.18	266.75	208.01	261.57	886.21	2,028.76	35.85	42.34	3,810.67
Addition on acquisition of subsidiary	-	-	4.67	1.00	4.40	4.62	5.59	-	20.28
Additions	-	38.96	59.23	9.39	120.33	54.50	3.70	0.59	286.70
Deletions	-	-	6.05	6.52	68.90	24.88	1.97	-	108.32
At 31 March 2015	81.18	305.71	265.86	265.44	942.04	2,063.00	43.17	42.93	4,009.33
Cost									
At 1 April 2015	81.18	305.71	265.86	265.44	942.04	2,063.00	43.17	42.94	4,009.33
Addition on acquisition of subsidiary (Refer Note 35)	-	-	-	-	2.37	6.57	-	-	8.94
Additions	17.00	1.10	114.09	45.08	369.84	198.52	24.08	2.03	771.74
Deletions/adjustment	-	-	2.63	1.12	63.93	17.56	4.36	-	89.61
At 31 March 2016	98.18	306.81	377.32	309.40	1,250.32	2,250.53	62.89	44.97	4,700.40
Accumulated Depreciation									
At 1 April 2014	-	7.37	151.67	206.77	662.90	855.48	10.51	4.76	1,899.46
Addition on acquisition of subsidiary	-	-	3.69	0.67	3.98	3.46	2.09	-	13.89
Charge for the year	-	10.34	34.44	36.43	153.28	275.19	5.90	2.99	518.57
Deletions	-	-	5.40	6.56	66.97	24.60	1.59	-	105.12
At 31 March 2015	-	17.71	184.65	237.31	753.19	1,109.53	16.91	7.75	2,327.05
Accumulated Depreciation									
At 1 April 2015	-	17.71	184.65	237.31	753.19	1,109.53	16.91	7.75	2,327.05
Addition on acquisition of subsidiary (Refer Note 35)	-	-	0.19	0.01	1.03	1.26	0.40	-	2.89
Charge for the year	-	10.54	58.52	25.80	169.29	261.94	11.24	3.09	540.43
Disposals/adjustment	-	-	2.62	1.12	62.44	16.90	2.35	-	85.43
At 31 March 2016	-	28.25	240.74	262.00	861.07	1,355.83	26.20	10.84	2,784.94
Net Block at 31 March 2015	81.18	288.00	81.21	28.13	188.85	953.47	26.26	35.18	1,682.28
Net Block at 31 March 2016	98.18	278.56	136.57	47.40	389.25	894.70	36.69	34.13	1,915.46

*Includes vehicles taken on finance lease/hire purchase- Gross block Rs. 2.82 as at March 31, 2016 (March 31, 2015 Rs. 8.36) and Net block Rs 2.00 as at March 31, 2016 (March 31, 2015 Rs. 8.36)

**Includes Computers taken on finance lease/hire purchase- Gross block Rs. 75.59 as at March 31, 2016 (March 31, 2015 Rs. NIL). Depreciation for the period Rs.16.13 (March 31, 2015 Rs. NIL) and Net block Rs 59.47 as at March 31, 2016 (March 31, 2015 Rs. NIL)

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NOTE: 10B

Intangible assets

	Computer Software
Cost	
At 1 April 2014	138.34
Addition on acquisition of subsidiary	3.93
Purchase	2.68
Deletions	-
At 31 March 2015	144.95
Cost	
At 1 April 2015	144.95
Addition on acquisition of subsidiary (Refer Note 35)	0.98
Purchase	6.10
Deletions	-
At 31 March 2016	152.03
Amortization	
At 1 April 2014	76.20
Addition on acquisition of subsidiary	3.86
Charge for the year	21.66
Deletions	-
At 31 March 2015	101.72
Amortization	
At 1 April 2015	101.72
Addition on acquisition of subsidiary (Refer Note 35)	0.72
Charge for the year	17.38
Deletions	-
At 31 March 2016	119.82
Net block	
At 31 March 2015	43.23
At 31 March 2016	32.21

NOTE: 11A

Non-current investments

	As at March 31, 2016	As at March 31, 2015
Non trade (Unquoted, valued at cost)		
50 (previous year: 50) Non Convertible Subordinate bonds of Rs 1,000,000/- each fully paid in Dhanalaxmi Bank Limited	50.00	50.00
50,000 Equity Shares of Alpha Micro Finance Consultants Private Limited of Rs 10/- each	0.50	0.50
Investment in other companies (Unquoted, valued at cost)		
1,000 (Previous year - 1,000) equity share of Rs. 10/- each fully paid in The Catholic Syrian Bank Limited.	0.03	0.03
	50.53	50.53

Note :

- | | | |
|---|-------|-------|
| 1. Aggregate amount of unquoted investments | 50.53 | 50.53 |
| 2. Aggregate provision for diminution in value of investments | - | - |

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

NOTE: 11B

Current Investments

	As at March 31, 2016	As at March 31, 2015
Mutual Fund (Unquoted, valued at net asset value or cost which ever is lower)		
14,455,619.44 (Previous year 14,455,619.44) units of Rs. 33.53/- (Previous year Rs. 34.08/-) each in SBI Mutual Fund - SBI Magnum Income Fund - Regular plan-Growth	-	492.64
NIL (Previous year 31,167.27 units of Rs. 1,604.25) each in Baroda Pioneer Mutual Fund - Plan B Growth	-	50.03
NIL (Previous year 31,037.95 units of Rs.1,610.93) each in Boi Axa Liquid Fund - Direct Plan - Growth	-	50.03
NIL (Previous year 17,621.34 units of Rs.2,837.47) each in Kotak Liquid Scheme Plan A- Direct Plan -Growth	-	50.04
9,940,852 (Previous year Nil) units of Rs. 10.06/- each in Franklin Templeton Ultra Short Daily Dividend Plan	100.00	-
49,996 (Previous year Nil) units of Rs. 1,000.51/- each in Reliance Liquidity Fund Daily Dividend Plan	50.03	-
9,903,874 (Previous year Nil) units of Rs. 10.25/- each in Sundaram Money Fund	100.05	-
16,379.30 (Previous year NIL) units of Rs.2,442.11/- each in Reliance Liquid Fund-Cash-Plan-Direct Growth Plan.	40.00	-
5,892.26 (Previous year NIL) units of Rs.1,697.14/- each in UTI Money Market Fund-Institutional Plan-Direct Plan-Growth.	10.00	-
16,282.57 (Previous year NIL) units of Rs.3,070.77/- each in Kotak Liquid Plan A-Direct plan-Growth	50.00	-
164,555.55 (Previous year NIL) units of Rs.243.08/- each in Birla Sunlife Cash Plus-Growth-Direct	40.00	-
170,173.60 (Previous year NIL) units of Rs.293.82/- each in Birla Sunlife Savings Fund-Growth-Direct	50.00	-
Certificate of Deposit (Unquoted, value at cost)		
NIL (Previous year 7500) units of Rs 100,000/- each in Dena Bank	-	1,475.46
	440.08	2,118.20
Note :		
1. Aggregate amount of unquoted investments (Cost)	440.08	2,025.46

NOTE: 12

Deferred tax assets (net)

Deferred tax liability	As at March 31, 2016	As at March 31, 2015
On unamortised debenture issue expense	(16.10)	(34.81)
Gross deferred tax liability	(16.10)	(34.81)
Deferred tax asset		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting.	181.28	154.43
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	22.09	30.32
Provision for advances	234.85	149.42
Others	11.74	10.42
Gross deferred tax asset	449.96	344.59
Net deferred tax asset	433.86	309.78

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NOTE: 13

Loans and advances

	Non-current		Current	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Portfolio Loan				
Secured, considered good				
- Gold	-	-	100,591.51	91,962.00
- Commercial Vehicle	894.31	110.02	403.39	43.72
- Mortgage/Property Loan	377.65	232.90	60.42	39.26
- Home loan	1,177.64	21.27	24.33	0.44
- Corporate Loan	276.04	-	195.84	-
- Other loans	82.50	0.26	19.01	22.85
	2,808.14	364.45	101,294.50	92,068.27
Secured, considered doubtful#				
- Gold	-	-	214.80	183.79
- Commercial Vehicle	-	-	0.07	-
- Mortgage/Property Loan	-	-	3.63	-
Portfolio Loan				
Unsecured, considered good				
- Demand loan	22.12	-	10.10	-
- Personal loan	-	-	0.02	0.05
- Micro finance loan ##	2,007.51	695.83	6,587.69	1,946.70
Unsecured, considered doubtful#				
- Micro finance loan	-	-	2.74	0.25
Advances recoverable in cash or kind*				
Unsecured, considered good	-	-	200.20	184.69
Deposits (Unsecured, considered good)				
Rental deposits	462.42	468.43	119.72	81.45
Other security deposits	44.81	46.90	8.01	13.96
	507.23	515.33	127.73	95.41
Service tax and other taxes recoverable, from Government (Unsecured, considered good)	-	-	34.25	28.79
Capital advances (Unsecured, considered good)	32.25	-	-	-
Total	5,377.25	1,575.61	108,475.73	94,507.95

* Advances recoverable in cash or kind includes dues from relative of directors and related parties

Provision for the same has been disclosed separately under note 9.

Includes Managed Micro finance loans - Rs. 1,377.65 (Previous year Rs. 577.20).

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NOTE: 14

Other assets

	Non-current		Current	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Deposits with other NBFCs as collateral towards loans and assets derecognised	4.58	31.25	14.04	47.58
Deposits as collateral with business partner towards loans sourced on their behalf	-	17.56	10.67	20.65
Non-current bank deposits (note 15)	424.81	307.85	-	-
(A)	429.39	356.66	24.71	68.23
Interest accrued:				
Loan Portfolio (Secured, considered good)	-	-	3,489.78	5,681.69
Micro finance Loan (Unsecured, considered good)	-	-	94.71	30.03
Fixed deposits and investment	11.41	1.06	30.16	54.97
Advance tax (net of Provisions for taxation and tax deducted at source)	811.21	1,044.08	-	-
Ancillary cost of arranging the borrowings	44.08	74.08	101.19	140.81
Comission receivable	-	-	-	11.54
Others	-	-	229.38	150.09
(B)	866.70	1,119.22	3,945.22	6,069.13
Total (A + B)	1,296.09	1,475.88	3,969.93	6,137.36

NOTE: 15

Cash and bank balances

	Non-current		Current	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Cash and cash equivalents				
Balances with banks:				
On current accounts	-	-	3,034.90	4,730.36
Deposits with original maturity of less than three months	-	-	-	105.00
Cash on hand	-	-	1,269.65	1,517.25
On Escrow accounts #				
Unpaid matured deposit	-	-	0.07	0.07
Unpaid auction surplus deposit	-	-	446.71	390.21
Unpaid dividend	-	-	38.53	24.36
	-	-	4,789.86	6,767.25

The Company can utilize these balances only towards settlement of the respective unpaid dividend, unpaid matured deposits and unpaid auction surplus.

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	Non-current		Current	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Other bank balances				
Other balance				
Deposits with original maturity for more than 3 months but less than 12 months*	-	-	1,176.95	988.92
Deposits with original maturity for more than 12 months*	424.81	424.89	77.94	164.94
	424.81	424.89	1,254.89	1,153.86
Amount disclosed under non-current assets (note 14)	424.81	424.89	-	-
	-	-	6,044.75	7,921.11

* Includes:

- Cash collateral deposits aggregating Rs 1,020 (March 31, 2015 : Rs. 940) towards approved bank facilities;
- Employee security deposits aggregating Rs. 159.79 (March 31, 2015 : Rs. 207.70) placed as fixed deposits with banks;
- Deposits aggregating to Rs 69.47 (March 31, 2015 : Rs. 37.13) towards security deposit to various authorities.
- Deposits amounting to Rs.347.23 (March 31, 2015 Rs.190.11) with respect to the Term Loans obtained by the Company from Banks, Financial institutions and Others.
- Deposits amounting to Rs. 81.56 (March 31, 2015 Rs. 76.59) placed as cash collateral with Assignees towards Assets De-recognised.
- Deposits amounting to Rs.10.67 March 31, 2015 Rs. 38.21) placed as cash collateral with Mas Financial services Limited to disburse and manage thier Portfolio."

NOTE: 16

Revenue from operations

	Year ended March 31, 2016	Year ended March 31, 2015
Interest Income		
- Gold loans	21,553.86	19,321.30
- Bank and other deposits	135.54	130.68
- Property Loans	72.88	18.95
- Micro Finance	1,202.01	80.18
- Commercial Vehicles	122.55	4.60
- Home Loan	69.83	0.14
- Corporate Loan	19.04	-
- Other loans	3.09	9.97
Insurance Commission	11.97	-
Processing and application fees	212.03	108.37
Gain on Securitisation	86.83	8.28
Total Interest income (A)	23,489.63	19,682.47
Other operating revenue		
- Money transfer	50.87	48.66
- Net Gain on current investment	33.87	80.53
- Provisions no longer required written back	-	25.90
- Bad debts recovered	13.69	25.82
- Insurance claim received	11.33	-
- Others	2.92	0.84
Total other operating revenue (B)	112.68	181.75
Revenue from operations (A+B)	23,602.31	19,864.22

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NOTE: 17

Other Income

	Year ended March 31, 2016	Year ended March 31, 2015
Profit on sale of fixed assets (net)	6.92	7.10
Commission - (refer note 39)	82.76	16.26
Notice pay recovery	25.91	37.54
Other non-operating income	20.36	9.15
	135.95	70.05

NOTE: 18

Finance Cost

	Year ended March 31, 2016	Year ended March 31, 2015
Interest		
- on Debentures	1,345.75	1,450.62
- on Bank and other borrowings	6,219.17	5,947.84
- on Subordinate bonds and loans	461.60	523.88
- on Commercial papers	869.94	532.08
- Others	273.87	0.28
Other borrowing cost	301.31	317.63
	9,473.90	8,772.33

NOTE: 19

Employee Benefit Expense

	Year ended March 31, 2016	Year ended March 31, 2015
Salaries, wages and bonus	3,809.16	2,772.49
Contribution to provident and other funds	502.54	367.61
Staff welfare expenses	15.11	5.27
	4,326.81	3,145.37

NOTE: 20

Other expenses

	Year ended March 31, 2016	Year ended March 31, 2015
Electricity	179.67	160.28
Rent	1,005.88	911.46
Rates and taxes	32.40	29.09
Insurance	42.15	31.71
Repairs and maintenance		
- Vehicles	4.59	3.55
- Others	131.07	79.43
Advertising and sales promotion	570.22	446.42
Commission paid (refer Note 37)	78.24	6.02
Travelling and conveyance	178.65	94.80
Communication costs	157.20	141.91
Printing and stationery	117.29	84.93
IT Support costs	259.25	282.37

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	Year ended March 31, 2016	Year ended March 31, 2015
Legal and professional fees	107.52	117.03
Security charges	435.47	575.93
Bad debts/advances written off	198.22	239.02
Provision for non performing assets	34.47	249.30
Provision for standard assets	190.66	32.66
Corporate social responsibility expenditure	94.22	43.38
Miscellaneous expenses	78.74	49.34
	3,895.91	3,339.61

NOTE: 21

Depreciation and amortization expense

	Year ended March 31, 2016	Year ended March 31, 2015
Depreciation	540.43	518.57
Amortization of intangible assets	17.38	21.66
	557.81	540.23

NOTE: 22

Earnings per share (EPS)

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

	Year ended March 31, 2016	Year ended March 31, 2015
Net profit for calculation of basic EPS	3,533.68	2,713.17
Weighted average number of equity shares in calculating basic EPS (Nos.)	841,207,136	841,207,136
Effect of dilution:		
Stock options granted under ESOP (Nos.)	-	65,557
Weighted average number of equity shares in calculating diluted EPS (Nos.)	841,207,136	841,272,693
Basic EPS (₹)	4.20	3.23
Diluted EPS (₹)	4.20	3.23

Note 23 : Employee Stock Option Scheme (ESOS), 2009

The details of the Employee Stock Option Scheme 2009 are as under:

Date of share holders' approval	August 17, 2009
Number of options approved	1,000,000
Date of grant	August 17, 2009
Number of options granted	829,500
Method of settlement	Equity
Graded Vesting	50% after one year from the date of grant i.e. August 16, 2010 and balance 50% after two years from the date of grant i.e August 16, 2011
Exercisable period	4 years from vesting date
Vesting conditions	On achievement of pre-determined performance parameters.

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Subsequent to the share split and bonus issue in an earlier year, the number of options has been adjusted to 8,295,000 options and the exercise price has been adjusted to Rs 33.12/- per share in accordance with the terms of the scheme. Further, subsequent to bonus issue in the earlier year, the exercise price has been adjusted to Rs 16.56 per share.

The Company has adopted the (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 issued by Securities and Exchange Board of India, and has recorded a compensation expense using the intrinsic value method as set out in those guidelines.

During the current year the Company has re-allotted the lapsed options, pursuant to the approval of the Board. The Company has granted 1,191,000 at an exercise price of Rs. 31.25 options on November 03, 2014 which will vest over a period of two years from the grant date (50% of the eligible share on November 03, 2015 and balance 50% of the eligible share on November 03, 2016). The exercise period commences from the date of vesting and will expire not later than four years from the date of vesting.

The summary of the movements in options is given below:

Particulars	March 31, 2016	March 31, 2015
Options outstanding, beginning of year	-	-
Options granted during the year	-	-
Increase on account of Bonus issue	-	-
Lapsed Options restored during the year	1,191,000	1,191,000
Options exercised during the year	-	-
Options lapsed during the year	(316,000)	(130,000)
Options outstanding, end of year	875,000	1,061,000
Options outstanding at the yearend comprise of :		
- Options eligible for exercise at year end	-	-
- Options not eligible for exercise at year end	875,000	1,061,000

Particulars	March 31, 2016	March 31, 2015
Weighted average remaining contract life of options	-	-
weighted average market price at the exercise date	-	-

The fair value of options estimated at the date of grant using the Black-Scholes method and the assumptions used are as under:

Particulars	Vesting I 16-Aug-2010 50%	Vesting II 16-Aug-2011 50%
Option fair value (pre-split and bonus at a face value of Rs 10/- per share)	Rs 142.43/-	Rs 157.92/-
Risk-free interest rate	6.51%	6.53%
Expected life	3 years	4 Years
Expected volatility	67.11%	66.62%
Expected dividend yield	2.76%	2.76%
Share price on the date of grant (face value of Rs 10/-)	Rs. 331.15/-	Rs. 331.15/-

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The expected volatility of the stock has been determined based on historical volatility of the stock. The period over which volatility has been considered is the expected life of the option.

Pro-forma Disclosures for ESOS 2009

In accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, had the compensation cost for ESOS 2009 been recognized based on the fair value at the date of grant in accordance with Black-Scholes method, the amounts of the Company's net profit and earnings per share would have been as follows:

Particulars	Profit after tax	Basic EPS (₹)	Diluted EPS (₹)
Year ended March 31, 2016			
- Amounts as reported	3,533.68	4.20	4.20
- Amounts as per pro-forma	3,528.72	4.19	4.19

Particulars	Profit after tax	Basic EPS (₹)	Diluted EPS (₹)
Year ended March 31, 2015			
- Amounts as reported	2,713.17	3.23	3.23
- Amounts as per pro-forma	2,709.34	3.22	3.22

Employees Stock Option Scheme (ESOP)

On 8 August, 2011, Asirvad established an Employees stock option scheme. Under the scheme, Asirvad is authorized to issue up to 2,04,500 equity shares of Rs.10 each to eligible employees. Employees covered by the plan are granted an option to purchase shares of Asirvad subject to the requirements of vesting.

Date of grant	Grant	
	8-Aug-11	1-Nov-13
Exercise price per option (Rs)	11.17	11.17
Total options granted and outstanding as at PY	-	10,000
Add: Options granted during the year	-	-
Less: Options forfeited / lapsed during the year	-	-
Options exercised as at CY	-	10,000
Options outstanding as at CY	-	-
- Vested	-	-
- Yet to vest	-	-

Vesting period:

In the case of the options granted to the Managing Director of Asirvad, 50% of the options vest on completion of one year and the balance on completion of two years from the date of the grant. In the case of other employees, the options vest in the following proportion over a three year period in such a manner that 16.67% vests on completion of one year from date of grant, 41.66% each over the completion of years two and three.

Exercise period: Within five years from the date of vesting

Method of settlement: Equity settled. Cash settlement is at the option of the Board

The fair value of the share has been estimated on the date of the initial grant by an external firm of consultants based on the audited financial statements for the year ended 31 March 2011. The valuation was done based upon the weighted average of the per share value arrived at through the Net Asset Value (NAV) approach and Profit Earning Capacity Method (PECV). The exercise price was fixed at about a 50% discount to the fair value. The fair value of options, based on the valuation of the independent valuer as on the date of initial grant i.e. 8 August 2011 is Rs.22.34 per share.

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In accordance with the Guidance Note issued by the Institute of Chartered Accountants of India, the difference between the fair value of Rs.22.34 and the exercise price per share of Rs.11.17 on options granted will be charged to Profit and Loss account over the vesting period of the options as employee compensation cost and will be carried forward as Share options outstanding account and disclosed separately in the Balance Sheet. Accordingly an amount of Rs. 32,579 [Previous year: Rs.435,963] has been debited to employee compensation cost and credited to share option outstanding account. There are no grants pending vesting/ exercise as at March 31, 2016.

Note: 24

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

Names of related parties	
Relationship	Name of the party
Associates / Enterprises owned or significantly influenced by key management personnel or their relatives	Manappuram Jewellers Limited
	Manappuram Agro Farms Limited
	Manappuram Foundations
	Manappuram Comptech and Consultant Limited *
	Manappuram Health Care Limited *
	Manappuram Construction and Properties Limited *
	Manappuram Chit Funds Company Private Limited *
	Manappuram Chits (Karnataka) Private Limited *
	Manappuram Chits (Andhra) Private Limited *
	Adlux Medicity and Convention centre Private Limited*
	MAFIN Enterprise *
	Manappuram travels *
	MAGRO Farms*
	Manappuram Chits *
Key Management Personnel	Mr. V P Nandakumar- Managing Director & CEO
	Mr. B.N Raveendra Babu- Executive Director
	Mr. Kapil Krishan -Chief financial officer
	Mr.Ramesh Periasamy -Company Secretary
	Mr. I Unnikrishnan - Non Executive Director(Resigned w.e.f November 5, 2015)
Relatives of key management personnel	Mrs. Sushama Nandakumar (wife of Mr. V P Nandakumar)
	Mr. Sooraj Nandan (son of Mr. V P Nandakumar)
	Mrs Sumitha Nandakumar (daughter of Mr. V P Nandakumar)
	Mr. Suhas Nandan (son of Mr. V P Nandakumar)
	Mrs. Sathyalekshmi (wife of Mr. I Unnikrishnan) (upto November 5, 2015)
	Ms. Biji Babu (daughter of Mr. B.N Raveendra Babu)
	Mrs. Shelly Ekalavyan (sister of Mr. V P Nandakumar)
	Mrs. Rajalakshmi Raveendra Babu (wife of Mr. B.N Raveendra Babu)

* No transactions with these related parties.

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Particulars	Associates / Enterprises owned or significantly influenced by key management personnel or their relatives		Key Management Personnel		Relatives of key management personnel	
	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15
Debentures and Subordinate Bond redeemed during the year					0.28	0.55
Mrs. Sathyailekshmi					-	0.05
Mrs. Rajalakshmi Raveendra Babu					0.28	0.50
Interest expense					0.52	0.62
Mrs. Sathyailekshmi					-	0.13
Mrs. Rajalakshmi Raveendra Babu					0.31	0.31
Ms. Biji Babu					0.09	0.08
Mrs. Shelly Ekalavyan					0.12	0.10
Commission to Directors			24.00	21.20		
Mr. V.P.Nandakumar			20.00	15.00		
Mr. I Unnikrishnan			-	3.00		
Mr. Raveendra Babu			4.00	3.20		
Remuneration to Directors			43.35	50.13		
Mr. V.P.Nandakumar			33.86	33.94		
Mr. I Unnikrishnan			-	7.36		
Mr. Raveendra Babu			9.49	8.83		
Remuneration to other KMPs			9.43	6.48		
Remuneration paid to Relative of KMP					5.50	2.17
Mr Sooraj Nandan					2.10	1.71
Mrs Sumita Jayshankar					2.91	0.47
Mr. Suhas Nandan					0.49	-
Donation made	92.00	40.11				
Manappuram Foundations	92.00	40.11				
Rent Paid	0.65	0.65	0.32	0.37	0.26	0.24
Mr. V.P.Nandakumar			0.32	0.37	-	-
Mr. Suhas Nandan					0.09	0.09
Mrs Sumitha Nandakumar					0.11	0.11
Mr. Sooraj Nandan					0.06	0.04
Manappuram Agro Farms Limited	0.65	0.65				
Rent Received	1.12	0.40				
Manappuram Jewellers Limited	0.47	0.37				
Manappuram Agro Farms Limited	0.16	0.04				
Manappuram Foundations	0.49	-				
Electricity Charge Received						
Manappuram Jewellers Limited	0.32	0.26				

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Particulars	Associates / Enterprises owned or significantly influenced by key management personnel or their relatives		Key Management Personnel		Relatives of key management personnel	
	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15
Loan from Directors						
Mr. V.P.Nandakumar			1.80	-		
Rent Advance Received	0.03	0.04				
Manappuram Jewellers Limited	0.03	-				
Manappuram Agro Farms Limited	-	0.04				
Balance outstanding as at the year end:						
Amounts payable (net) to related parties			24.00	21.20	3.75	3.60
Mr. V.P.Nandakumar			20.00	15.00		
Mr. I Unnikrishnan			-	3.00		
Mr. Raveendra Babu			4.00	3.20		
Mrs. Rajalakshmi Raveendra Babu					2.10	1.48
Ms. Biji Babu					0.71	0.40
Mrs. Sathyalekshmy					-	1.05
Mrs. Shelly Ekalavyan					0.94	0.67
Loan from Directors						
Mr. V.P.Nandakumar			1.80	-		

Note:

Related parties have been identified on the basis of the declaration received by the management and other records available.

The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the company as a whole.

Note: 25

Employment benefits disclosures:

The amounts of Provident fund contribution charged to the statement of Profit and loss during the year aggregates to Rs 329.35 for March 31, 2016 (March 31, 2015 Rs. 223.13)

The Group has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure for each completed year of service. The group has funded the scheme either with Life Insurance Corporation of India and Kotak Life Insurance.

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

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Statement of Profit and Loss

Net employee benefit expense recognised in the employee cost

	March 31, 2016	March 31, 2015
Current service cost	82.15	58.68
Interest cost on benefit obligation	17.82	13.58
Expected return on plan assets	(16.94)	(13.34)
Net actuarial (gain)/loss recognized in the year	9.62	(6.54)
Net (benefit) / expense	90.13	52.38
Actual return on plan assets	16.68	17.45

Balance sheet

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

	March 31, 2016	March 31, 2015
Defined benefit obligation	(319.37)	221.20
Fair value of plan assets	254.10	181.97
Asset/(liability) recognized in the balance sheet	(65.27)	(39.23)

	March 31, 2014
Defined benefit obligation	(151.07)
Fair value of plan assets	141.96
Asset/(liability) recognized in the balance sheet	(9.11)

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

	March 31, 2016	March 31, 2015
Opening defined benefit obligation	221.20	151.07
On Acquisition of Subsidiary	1.06	1.73
Interest cost	17.82	13.58
Current service cost	82.15	58.68
Benefits paid	(12.24)	(3.99)
Actuarial loss / (gain) on obligation	9.38	0.13
Closing defined benefit obligation	319.37	221.20

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

	March 31, 2016	March 31, 2015
Opening fair value of plan assets	181.97	141.96
On Acquisition of Subsidiary	1.48	2.31
Expected return	16.94	13.34
Contributions by employer	66.19	21.73
Benefits paid	(12.24)	(3.99)
Actuarial gains / (losses)	(0.24)	6.62
Closing fair value of plan assets	254.10	181.97
Expected contribution to fund to be made in the next year	60.00	40.00

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

	March 31, 2016	March 31, 2015
	%	%
Discount rate	7.5%	7.8%
Attrition rate	15%	15%
Expected rate of return on assets	7.8%	8.5%

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

Note 26: Commitments

- (i) Estimated amount of contracts remaining to be executed on capital account, net of advances is Rs. 20.34 as at March 31, 2016 (March 31, 2015 - Rs. 4.70).
- (ii) The Company has entered into an agreement for outsourcing of Information Technology support in April 2011 for a period of 10 years with an annual expense of Rs. 270.

Note 27: Contingent liabilities

(a) Applicability of Kerala Money Lenders' Act

The Company has challenged in the Hon'ble Supreme Court the order of Hon'ble Kerala High Court upholding the applicability of Kerala Money Lenders Act to NBFCs. The Hon'ble Supreme Court has directed that a status quo on the matter shall be maintained and the matter is currently pending with the Hon'ble Supreme Court. The Company has taken legal opinion on the matter and based on such opinion the management is confident of a favourable outcome. Pending the resolution of the same, no adjustments have been made in the financial statements for the required license fee and Security deposits.

(b) Litigations

- i) Matters of litigation, if any, the outcome of which in the opinion of Management is considered probable thereby requiring provision, have been provided for under the requirement of Indian GAAP.
- ii) Income tax demand related to Financial year 2012-13 on account of disallowances of certain expenditure amounting to Rs 7.72 Mill including interest. The Company has preferred an appeal against the order with Commissioner of Income Tax (Appeals)
- iii) The company has disputed Income Tax Demand, vide assessment order of ACIT, Circle 1(1), Thrissur dated 23.03.2015 respecting Assessment Year 2012-13, amounting to Rs. 0.23 Million. The company preferred an appeal with Commissioner of Income Tax (Appeal), Thrissur against the order and the matter is pending before the appellate authority. Since the company is not foresees no liability, provision is not made for the same.

(c) On account of Corporate Guarantees provided by the Group

Particulars	March 31, 2016	March 31, 2015
On account of managed portfolio	23.58	160.45
Total	23.58	160.45

Note: 28)

Lease Disclosures

Operating Lease :

Office premises are obtained on operating lease which are cancellable in nature. Operating lease payments are recognized as an expense in the statement of profit and loss.

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Finance Leases:

The Company has finance leases for vehicles. These leases are non-cancellable and has no escalation clause. Future minimum lease payments (MLP) under finance leases together with the present value of the net MLP are as follows:

a) Capital to Risk Assets Ratio

Particulars	March 31, 2016	March 31, 2015
Total minimum lease payments at the year end	70.67	5.26
Less: amount representing finance charges	7.84	0.45
Present value of minimum lease payments	62.83	4.81
Lease payments for the year	26.14	3.75
Minimum lease Payments:		
Not less than one year [Present value Rs. 31.99 as on March 31, 2016 (Rs. 1.48 as on March 31, 2015)]	38.56	3.18
Later than one year but not later than five years [Present value Rs. 29.86 as on March 31, 2016 (Rs. 0.99 as on March 31, 2015)]	32.11	2.08

Note: 29)

Exceptional item

Exceptional item represents loss assets written off with respect to debts considered bad in one of the divisions. These debts were not repaid by the borrowers due to an incidence of embezzlement of cash collections by the employees in some of the branches of the above division.

Note: 30):

Under Recovery of Interest Income

The Group disbursed some gold loans on which the total amount receivable including principal and accumulated interest have exceeded the value of the underlying security. As of March 31, 2016, the Group has not recognized interest income aggregating to Rs. 0.71 (March 31, 2015 Rs 773.90).

Note: 31.

- During the year there have been certain instances of fraud on the Holding Company by employees and others, where gold loan related misappropriations / cash embezzlements have occurred for amounts aggregating an amount of Rs.60.05 (March 31, 2015 Rs. 69.23) of which the Holding Company has recovered Rs. 23.69 (March 31, 2015 Rs. 8.87). The Holding Company has taken insurance cover for such losses and has filed insurance claims in this regard. Further, the Holding Company is in the process of recovering these amounts from the employees and taking legal actions, where applicable. The Holding Company has created provision aggregating to Rs. 36.36 (March 31, 2015 Rs 42.98) towards these losses based on its estimate.
- During the year there have been certain instances of cash embezzlements in the subsidiary company for amounts aggregating to Rs.1.64 (March 31, 2015 Rs. NIL) by employees in three of the branches of the company and the same has been detected and appropriately dealt with by the subsidiary management.

Note: 32)

Expenditure on Corporate Social Responsibility (CSR)

For the year ended March 31, 2016 the Group has incurred expenditure of Rs.94.22 (March 31, 2015 Rs.43.38) as compared to expenditure required to be spent under section 135 of the Act of Rs. 71.10 (March 31, 2015 Rs. 101.78) resulting in an excess of Rs. 23.12 (March 31, 2015 shortfall of Rs. 58.40).

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Note: 33)

Goodwill on Consolidation

"Goodwill on consolidation represents the excess purchase consideration paid over value of net assets of acquired subsidiaries on the date of such acquisition. Such goodwill is tested for impairment annually or more frequently, if there are indicators for impairment. The Management does not foresee any risk of impairment on the carrying value of goodwill as at March 31, 2016.

Manappuram Insurance Brokers Private Limited an insurance broking company registered with ROC under the provision of Companies Act, 1956, is a subsidiary of the Company with effect from January 1, 2016. The total consideration for the acquisition including incidental cost of acquisition was Rs.15.5. The excess purchase consideration paid over the net asset taken over to the extent of Rs 6.86 has been recognised as goodwill. The subsidiary has accumulated profits of Rs. 6.93 as at March 31, 2016 and the statement of profit and loss for the year includes revenue of Rs 13.27 and net profit after tax of Rs 1.37."

Note 34) Additional disclosure as per Schedule III of Companies Act 2013

For the year March 31, 2016

Name of the Entity	Net Assets, i.e Total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated profit and Loss	Amount
Manappuram Finance Limited	99.10%	27,331.95	94.10%	3,341.97
Manappuram Home Finance Private Limited	-0.16%	(44.29)	-1.11%	(39.39)
Manappuram Insurance Brokers Private Limited	0.02%	6.59	0.19%	6.59
Asirvad Microfinance Private Limited	1.04%	286.11	6.32%	224.51
Minority Interest in subsidiary			0.50%	17.90

For the year March 31, 2015

Name of the Entity	Net Assets, i.e Total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated profit and Loss	Amount
Manappuram Finance Limited	99.78%	26,269.71	99.73%	2,707.32
Manappuram Home Finance Private Limited	-0.02%	(4.90)	-0.21%	(5.80)
Asirvad Microfinance Private Limited	0.24%	63.18	0.43%	11.65
Minority Interest in subsidiary			0.06%	1.60

Note: 35)

Acquisition of subsidiary

The Company has executed the share transfer deed on 21st December 2015 with Manappuram Insurance Brokers Private Limited (MAIBRO) for acquiring the 100% stake. The Board of MAIBRO has approved the allotment of share on January 01, 2016. The effect of acquisition of this subsidiary on the consolidated financial position as at March 31, 2016 is as follows.

Particulars	March 31, 2016
Equity and liabilities	
Shareholders' funds	
Share capital	-
Reserves and surplus	6.59
Current liabilities	

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	As at March 31, 2016
Short-term borrowings	1.80
Trade Payables	0.06
Other current liabilities	1.68
Short-term provisions	-
TOTAL	10.13
Assets	
Non-current assets	
Goodwill on consolidation	6.86
Fixed assets	1.60
Non-current investments	(15.50)
Deferred tax assets (net)	0.45
Long-term loans and advances	-
Other Non-Current assets	-
Current assets	
Trade Receivables	-
Cash and cash equivalents	3.29
Short-term loans and advances	5.68
Other current assets	7.75
Total	10.13
Total revenue from operations and other income considered in the consolidated financial statements	13.27
Profit considered in the consolidated financial statements	6.59

Note 36)

Agreement with MAS Financial Services Limited

Asirvad has entered into agreements with MAS Financial Services Limited ('MAS') whereby Asirvad will undertake to disburse and manage loans on behalf of MAS. Asirvad will pay an interest of 15.25% to MAS and shall be entitled to retain the interest over and above the specified percentage for the services rendered. The Asirvad has received and disbursed advances amounting to Rs Nil (March 31, 2015 Rs.230) from MAS during FY 2015-16 towards this activity. The interest payable on such portfolio and instalments collected and held in trust for MAS work out to Rs 23.87 which is disclosed under Note No.8 Other Current Liabilities. Asirvad is liable for the collection of the loans and any losses arising on default of the loans is to be borne by Asirvad. Asirvad has also given a cash collateral of Rs 10.67 (Rs.38.21 during the PY) in the form of fixed deposits and a guarantee defined as a percentage of loan outstanding at any point of time.

Note 37)

Agreement with Adhikar Microfinance Private Limited

Asirvad has entered into an agreement dated 15 December 2013 with Adhikar Microfinance Private Limited ('Adhikar') whereby Adhikar will undertake to source the prospective borrowers, disburse the loans and manage the loans on behalf Asirvad. The loans will be recorded in the books of Asirvad and the interest income and fee on such loans shall be receivable by Asirvad. Asirvad shall pay a fee compensation equal to interest of 6% on the loans to Adhikar for the services rendered. The asirvad has disbursed such loans amounting to Nil with and portfolio outstanding of Nil as on March 31, 2016 (March 31, 2015 Rs. 17.89) , which is included in Microfinance Loan in Note 13 Loans and Advances. The fee paid to Adhikar during this period amounted to Rs. 0.34 (March 31, 2015 Rs. 0.36) which has been included under Commission in Note 20 Other expenses.

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Note 38)

Securitization of assets

Particulars	March 31, 2016	March 31, 2015
Total number of loan assets securitized during the year	145,330	24,491
Book value of loan assets securitized during the year (Rs. In Million)	1,786.40	254.63
Sale consideration received during the year	-	271.59
MFL Loans subordinated as Credit Enhancement on Assets Derecognised	500.39	-
Gain / (loss) on the securitization transaction recognised in P&L	30.28	2.29
Gain / (loss) on the securitization transactions deferred	1.07	14.67
Quantum of Credit Enhancement provided on the transactions in the form of deposits	51.27	14.66
Quantum of Credit Enhancement as at year end	81.56	14.66
Interest spread Recognised in the Statement of Profit and Loss during the Year (including amortization of Unamortised Income)	90.22	53.44

Note 39)

Marketing Commission

Asirvad has entered into agreements with Inthre Financial Services and Uniq Synergy for marketing their solar lamps, mobile Phones and cookware to its members. Asirvad receives commission for the lamps, mobile phones and cookware sold at the volume based slab rates specified according to the terms of the agreements. The Company has received an amount of Rs. 87.27 (March 31, 2015 Rs 37.62) towards commission for the marketing of solar lamps, mobile phones and cookware.

Note: 40)

Previous year figures

Previous year figures have been regrouped/reclassified, where necessary, to conform current year's classification.

For S.R Batliboi & Associates LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

per **Bharath NS**
Partner
Membership no.: 210934

Place: Chennai
Date : May 12, 2016

V.P. Nandakumar
MD & CEO

Kapil Krishan
Chief Financial Officer

Place: Valapad, Thrissur
Date : May 12, 2016

For and on behalf of the board of directors

B. N. Raveendra Babu
Executive Director

Ramesh Periasamy
Company Secretary

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Fax No: 04872399298
Email: cosecretary@manappuram.com
Website: www.manappuram.com
Company Registration No: 09-06623
CIN No: L65910KL1992PLC006623
RBI Registration No: 16.00029

CHAIRMAN

Mr. Jagadish Capoor

MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER

Mr. V.P.Nandakumar

EXECUTIVE DIRECTOR

Mr. B.N.Raveendra Babu

BOARD MEMBERS

Adv. V.R.Ramachandran
Mr. P.Manomohanan
Mr. Shailesh J Mehta
Mr. E.A.Kshirsagar
Mr. Rajiven.V.R
Mr. Pradeep Saxena
Dr. Amla Samanta

COMPANY SECRETARY

Mr. Ramesh Periasamy

CHIEF FINANCIAL OFFICER

Mr. Kapil Krishan

CHIEF GENERAL MANAGER

Mr. N. R. Bahuleyan

REGISTRAR AND SHARE TRANSFER AGENTS

M/s. SKDC Consultants Limited
Kanapathy Towers
3rd Floor, 1391/A-1, Sathy Road
Ganapathy PO, Coimbatore - 641 006
Ph. 0422 6549995, 0422 2539835
Email info@skdc-consultants.com

STATUTORY AUDITORS

M/s. S.R. Batliboi & Associates LLP
Chartered Accountants
TIDEL Park, 6th & 7th Floor - A Block,
Module 601,701-702
No.4 Rajiv Gandhi Salai, Taramani
Chennai - 600 113, Ph: +914466548100

DEBENTURE TRUSTE

IL&FS Trust Company Ltd. |
The IL&FS Financial Centre, Plot C- 22, G Block, Bandra
Kurla Complex, Bandra(E), Mumbai 400051
Cell : +91 9820094118 | DID + 91 22 2659 3682 | Fax +
91 22 2653 3297 | Web : www.itclindia.com

Mr.V.K.Kerala Varma, FCA, FCS
Practicing Company Secretary
Sree Kovilakam, Green Park Avenue
Near Viyyur Bridge, Thiruvambadi (P.O)
Thrissur-680020, Ph: 2334847

Mr.Sajith.V
V.K.S.Narayanan & Co
Chartered Accountants
Shornur Road
Thrissur-680001.
Ph: 2334268, 2352207

SHARE LISTED AT

Bombay Stock Exchange
National Stock Exchange

BSE Scrip Code 531213
ISIN- INE 522 D 01027

BANKERS/FINANCIAL INSTITUTIONS

Andhra Bank
Axis Bank
Bank of Maharashtra
Central Bank of India
Corporation Bank
Lakshmi Vilas Bank
Federal Bank
HDFC Bank
ICICI Bank
IDBI Bank
Bank of Baroda
Kotak Mahindra Bank
Karnataka Bank
Karur Vysya Bank
Jammu Kashmir Bank
Oriental Bank of Commerce
Punjab National Bank
South Indian Bank
State Bank of India
State Bank of Patiala
Syndicate Bank
Tamilnad Mercantile Bank
Union Bank of India
Vijaya Bank
United Bank of India
Uco Bank
Punjab And Sind Bank
State Bank of Hyderabad

Notice

MANAPPURAM FINANCE LIMITED

Regd. Office: IV/470A(old)W638A(new),
Manappuram House, Valapad P.O, Thrissur – 680 567
Ph: (0487) 3050408, 3050417, Fax No. (0487) 2399298
CIN:L65910KL1992PLC006623
Email: cosecretary@manappuram.com,
Website – www.manappuram.com

Notice is hereby given that the **TWENTY FOURTH** Annual General Meeting of the Shareholders of Manappuram Finance Limited will be held on Tuesday, **09th day of August, 2016** at **09.30 a.m. IST** at Anugraha Auditorium, Valapad, Thrissur - 680 567 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Standalone & Consolidated Profit and Loss account for the financial year ended 31st March, 2016 and the Balance Sheet, Notes annexed thereto and Cash flow statement as at that date, the report of the Directors and the Auditors thereon.
2. To confirm the first, second, third and fourth interim dividends of Rs.0.45 each in aggregate Rs.1.80 per equity share of Rs.2/- each, as divided for the year 2015-16.
3. Mr. Pradeep Saxena, who retires by rotation, and he has preferred not to get re-appointed.

4. To ratify the appointment of Statutory Auditors.

Auditors are appointed to hold office from the conclusion of the Twenty Second Annual General Meeting until the conclusion of the Twenty Fifth Annual General Meeting.

“RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions of the Companies Act, 2013 and rules made thereunder and pursuant to the resolution passed by the members at the AGM held on July 31, 2014, the appointment of M/s S.R. Batliboi & Associates LLP, Chartered Accountants, (Firm Registration Number- 101049W, TIDEL Park, 6th and 7th Floor - A Block, Module 601, 701-702, No 4 Rajiv Gandhi salai, Taramani, Chennai 600 113) be and is hereby ratified to hold office as the statutory auditors of the Company from the conclusion of Twenty Second Annual General Meeting to the conclusion of the Twenty Fifth Annual General Meeting and that such remuneration as may be determined by the Board of Directors plus out of pocket expenses and levies such as service tax, etc.”

SPECIAL BUSINESS:

5. Raising of Fund through Private Placement of Secured Redeemable Non-Convertible Debentures (NCDs)

To consider and if thought fit to pass the following as a Special Resolution:

RESOLVED THAT pursuant to the provisions of Sections 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 18 of the Companies (Share Capital and Debenture) Rules 2014 and Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules 2014 as in force or amended from time to time, the relevant rules / regulations / guidelines, if any, prescribed by the Securities and Exchange Board of India (SEBI), the Reserve Bank of India (RBI) and/or any other regulatory authority, the relevant provisions of Memorandum and Articles of Association of the Company, the consent, authority and approval of Shareholders of the Company be and is hereby accorded to the Board of Directors (hereinafter referred as 'Board') of the Company, to issue Secured Redeemable Non-Convertible Debentures (NCDs) on a private placement basis, whether rated, listed or

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otherwise in one or more tranches, subject to the aggregate limit of Rs.2,000.00 Crores (Rupees Two Thousand Crores only) during the period of one year from the date of passing of this Special Resolution by the Members, on such terms and conditions as the Board may, from time to time, determine and consider proper and most beneficial to the Company including but not limited to the timing of the issue, the minimum subscription price, face value and quantity, utilization of the issue proceeds and all matters connected with or incidental thereto;

RESOLVED FURTHER THAT the Board of Directors of the Company including Financial Resources and Management Committee ('FRC') of the Board and/or such other committee of Board constituted in this behalf, is hereby authorized to do all such acts, deeds and things to give effect to the above resolution including appointment of trustees, fixing the terms and conditions for the issue of NCDs, preparation and authentication of offer letters, issue and allotment of debentures, creation of charge, payment of applicable stamp duties, authorizing officers or intermediaries in connection with the issue of NCDs or any other matter incidental or ancillary thereto."

By order of the Board of Directors

Sd/-

Ramesh Periasamy
Company Secretary

Place: Valapad, Thrissur
Date: 15/07/2016

NOTICE

NOTES:

A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY FORM DULY COMPLETED MUST BE SENT SO AS TO REACH THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A BLANK PROXY FORM IS ENCLOSED.

1. Statement of material facts pursuant to Section 102(1) of the Companies Act, 2013 in respect of item No. 5 is annexed hereto forms part of this notice.
2. As regards Item No.2, the Board of Directors of the Company declared 4 interim dividends for the financial year 2015-2016 as detailed below which has already been paid during the year;

Interim Dividend	Date of Declaration of Interim Dividend	Amount Paid Per Equity Share of Rs.2/- each
1st Interim Dividend	14th Aug 2015	0.45 paise
2nd Interim Dividend	05th Nov 2015	0.45 paise
03rd Interim Dividend	12th February 2016	0.45 paise
04th Interim Dividend	11th March 2016	0.45 paise

3. A person can act as proxy on behalf of members up to and not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. Further, a member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or member.
4. Members / proxies should bring the duly filled attendance slip enclosed to this notice along with a valid photo identity proof such as the PAN card, passport, Aadhar card or driving license to attend the Meeting.
5. Corporate members are requested to send a duly certified copy of the Board Resolution authorizing their representative(s) to attend and vote on their behalf in the meeting.
6. Members are requested to: (a) intimate changes, if any, in the registered addresses to the company/ Registrar in case of shares held in physical forms and to their Depository Participant (DP); (b) quote ledger folio number in all their correspondence; (c) bring their copies of the Annual Report and the Attendance Slip with them at the Annual General Meeting (AGM).
7. Members holding shares in dematerialized form are requested to write their client ID and DP ID Numbers in attendance slip and in all their correspondence with the Company. Those who hold shares in physical form are requested to write their folio number in the attendance slip.
8. Members holding shares in physical form are requested to approach a Depository Participant for dematerializing the shares so that the shareholding particulars can be electronically kept and the loss of certificate etc. can be avoided.
9. Members may kindly update your DP account regularly with the changes in bank account with the following information;
 - Bank account Number in full
 - MICR code
 - IFS code
 - Full name of the Bank and address of the branch
 - email address

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The correct and complete particulars will help us in serving you better by timely credit of your future dividends by means of electronic credit.

10. Pursuant to the provisions of Section 124 of the Companies Act, 2013 dividend for the financial year ended 31st March, 2009 which are remains unpaid or unclaimed for a period of seven years will be transferred as below to the Investor Education and Protection Fund of the Central Government. Dividends relating to subsequent financial years would also be transferred to said account on the expiry of seven years after transfer of the same to unpaid dividend account as detailed below;

Details of Unpaid Dividend for the last Five Years:

Financial Year	Date of Declaration	Last date for claiming unpaid dividend
2008-09	30.04.2009	21.09.2016
2009-10	11.05.2010	24.08.2017
2010-11	28.04.2011	16.09.2018
2011-12 (Interim)	02.02.2012	03.03.2019
2011-12 (Final)	18.05.2012	01.09.2019
2012-13	09.08.2013	12.04.2020

Shareholders who have not encashed the dividend warrants/cheques so far for the above years are requested to make their claim to the Company immediately.

11. Members who would like to ask questions on Accounts are requested to send their questions to the Registered Office of the company at least 10 days before the date of Annual General Meeting to enable the company to prepare suitable replies to such questions.
12. Electronic copy of the Annual Report for the FY2015-16 and Notice of the Twenty Fourth Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purpose unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for the FY2015-16 and Notice of the Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
13. Members may also note that the notice of the 24th Annual General Meeting and the Annual Report for the FY2015-2016 will be available on the Company's website, www.manappuram.com and websites of Stock Exchanges (NSE & BSE). Members who require physical copy of the same, may write to us at: cosecretary@manappuram.com.
14. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (LODR) Regulations, 2015, the Company is pleased to offer the facility of voting through electronic means, to all its Members to enable them to cast their votes electronically. Members who have not voted through electronic means or members who have no access to electronic voting can vote at the Annual General Meeting, electronically. The cut-off date for recognizing voting rights of members to vote by electronic means as well as at the General Meeting is August 02, 2016 in terms of Companies (Management and Administration) Amendment Rules, 2015 ('cut-off date').
15. The facility for voting, through electronically, will also be made available at the AGM and the members who have not already cast their votes by remote e-voting shall be able to exercise their right at the AGM through electronic voting system using DP ID or PAN or Folio No. as user ID and one-time password which will be sent to the member's mobile number upon their registration at the AGM. Members who already cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again.

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16. Any person who acquires shares of the company and becomes its member after the dispatch of the notice for the annual general meeting and continues to hold the shares of the company as on the cut-off date may obtain login id and password by sending a request at info@skdc-consultants.com or helpdesk.evoting@cdslindia.com.
17. The voting rights of the Members shall be in proportion to their share in the paid up equity share capital of the Company as on the cut off-date.
18. The Company has appointed Mr. Sathish.V, Practicing Company Secretary, to act as the Scrutinizer for conducting the electronic voting process in a fair and transparent manner.
19. At the AGM, prior to/at the end of the discussion on the resolutions on which voting is to be held, the Chairman shall, with the assistance of the Scrutinizer, order electronic voting system for all those members who are present but have not cast their votes electronically using the remote e-voting facility.
20. The Scrutinizer shall, after the conclusion of electronic voting at the AGM, count the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting in the presence of the at least two witnesses not in employment of the Company. The Scrutinizer shall submit a consolidated Scrutinizer's Report of the total votes cast in favour of or against, if any, not later than two days after the conclusion of the AGM to the Chairman / Managing Director of the Company. The Chairman / Managing Director, or any other person authorised by the Chairman / Managing Director, shall declare the result of the voting forthwith.
21. The result, along with the Scrutinizer's Report, will be placed on the Company's website, www.manappuram.com and on the website of CDSL immediately after the result is declared by the Chairman or any other person authorised by the Chairman, and the same shall be communicated to the BSE & NSE.
22. A brief profile of the director(s) who is / are appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding in the company and inter-se relationship between directors or key managerial personnel as required under Regulation 36 of the SEBI (LODR) Regulations, 2015 are furnished and forms part of the notice.
23. The Company has engaged the services of Central Depository Services Limited (CDSL) as the authorised agency to provide the e-voting facilities. The procedure and instructions for voting through electronic (remote e-voting) are, as follows:

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on August 06, 2016 at 09.00 a.m. IST and ends on August 08, 2016 at 05.00 p.m. IST. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of August 02, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:
For Members holding shares in Demat Form and Physical Form

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PAN	Enter your 10-digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) - Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. - In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <MANAPPURAM FINANCE LIMITED> on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password, then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile. The voting Period as mentioned in point no. (i) hereinabove applies mutatis mutandis to m-voting APP.
- (xx) Note for Non – Individual Shareholders and Custodians:
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

NOTICE

(xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

24. The following person shall be responsible to address grievances concerned with facility for remote e-voting:
Contact Name – Mr. Rakesh Dalvi, Designation - Deputy Manager, Address - 16th Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400001. Contact No.18002005533. Email id - helpdesk.evoting@cdslindia.com.

Annexure to The Notice

(Explanatory Statement Pursuant to Section 102 (1) of the Companies Act, 2013)

Item No.5:

As per the provisions of Section 42 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, a company offering or making an invitation to subscribe to Secured Redeemable Non Convertible Debentures ("NCD") on a private placement basis, is required to obtain the prior approval of the Shareholders by way of a Special Resolution, which can be obtained once a year for all the offers and invitations for such NCDs during the year.

NCDs, issued on private placement basis are a significant source of borrowings for the Company and the company used to allot listed as well as unlisted NCDs in the past and there is potential to raise resources through the private placement route. Your directors considered that the company should broaden the base of resource mobilization for the company to ensure availability of adequate funding for future business growth and development. The approval of the Members is being sought by way of a Special Resolution under Section 42, 71 and other applicable provisions, if any, of the Act read with the Rules made thereunder, to enable the Company to offer or invite subscriptions for NCDs on a private placement basis, in one or more tranches, during the current year within the overall borrowing limits of the Company, as approved by the Members from time to time, with authority to the Board (Board includes Financial Resources and Management Committee of the Board) to determine the terms and conditions, including the issue price of the NCDs. The NCDs are proposed to be issued with face values of Rs.1,000/- or Rs.1,00,000/- or Rs.10,00,000/- subject to applicable regulations in this respect and either at face value or at discount to face value as zero coupon bonds depending upon the market conditions and investors preferences.

The Directors, therefore, recommend the resolution given in the Notice, for approval of the Members of the Company. None of the Directors of the Company or Key Managerial Persons are concerned or interested in the resolution.

By order of the Board of Directors

Sd/-

Ramesh Periasamy
Company Secretary

Place: Valapad, Thrissur
Date: 15/07/2016

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About us

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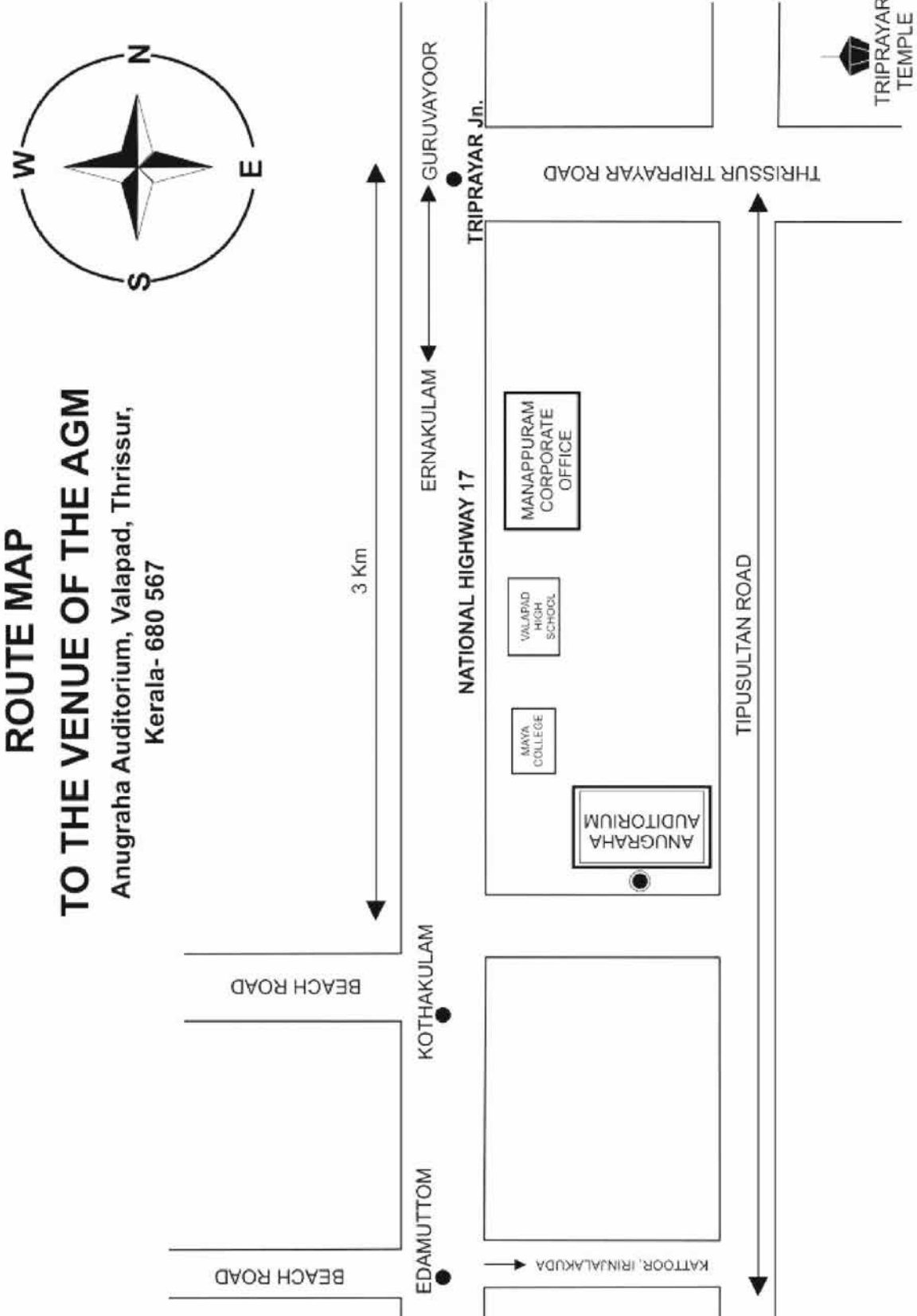
Management's
Discussion & Analysis

Board's Report
Governance Report

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ROUTE MAP TO THE VENUE OF THE AGM Anugraha Auditorium, Valapad, Thrissur, Kerala- 680 567



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V.C. Padmanabhan Memorial Annual Lecture & Awards for Excellence 2015 held at the Lulu International Convention Centre, Thrissur on June 22, 2015



"Lunch with Mohanlal" held at Lulu International Convention Centre, Thrissur, on July 13, 2015



Registered office

IV/470A (Old) W/638(New), Manappuram House
Valapad PO, Thrissur - 680 567, Kerala.
CIN No: L65910KL1992PLC006623

www.manappuram.com