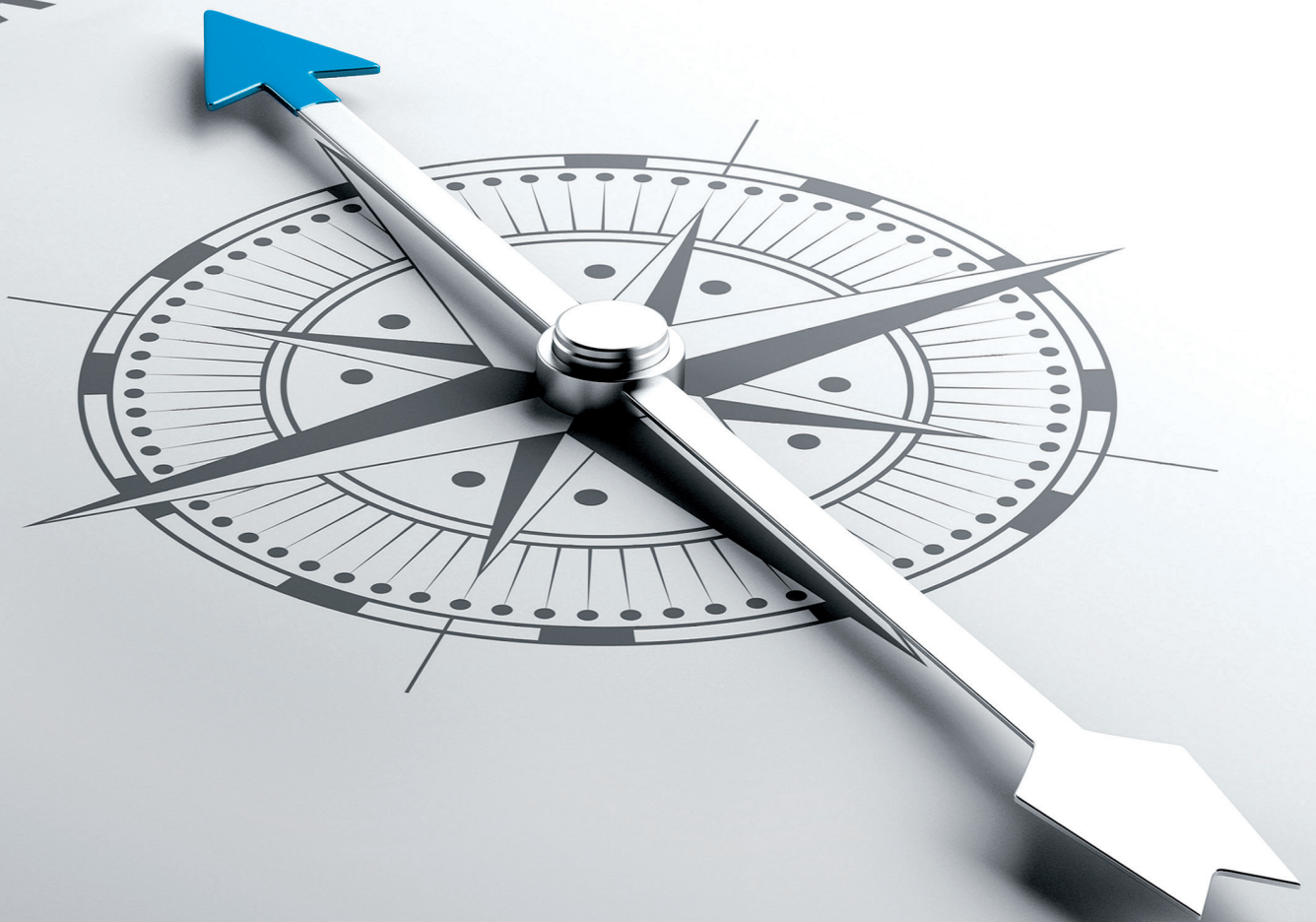




ANNUAL REPORT 2014 - 2015

-GROWTH-



WHERE
GROWTH IS A
WAY OF LIFE



MUTHOOT PAPPACHAN

1927 - 2004

FOUNDER CHAIRMAN

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



MESSAGE FROM THE MANAGING DIRECTOR

Dear Members,

2014 - 2015 was a very challenging year for India as for most other economies. While there was optimism, the same has not resulted in a major recovery in most of the countries. In India, while there was growth in some of the sectors, the automobile industry and more specifically the two wheeler sector that your Company majorly depends on did not see a balanced growth.

With the new political scenario and the overall expectation of better governance and decision making, the growth should pick up in 2015 - 2016. Stronger global growth, improving export competitiveness, a favorable monsoon, and a confidence boost from recent policy expectations should deliver a modest growth rebound. However, fiscal restraint and a tighter monetary stance are likely to act as headwinds, slowing the recovery.

Two wheeler sales registered growth of 8.09 % in FY 2014 - 2015 over FY 2013 - 2014. Within the two wheelers segment; scooters, motorcycles and mopeds grew by 25.06%, 2.50% and 4.51 % respectively. Motorcycles which contributed to 75% of the total two wheeler sales in the previous year started sliding from October, 2014 onwards to reach 64% of the total two wheeler sales by March, 2015. High-mileage entry-level bikes, a high demand in the rural areas, which normally contribute 50% of the total motorcycle sales, also saw a drop in sales. The rural demand for automobiles has been adversely impacted by unseasonal rains, poor crop realization and slowdown in rural wages which pulled back the rural economy, impacting retail off-takes in rural markets.

The business environment has been challenging and over the last year or so became even more competitive. Newer players have come into the market targeting the same pie which has not grown significantly. Considering these difficult macro-economic conditions and challenging business environment, the Company's performance during the year under review was satisfactory. The Company continued its focus on financing of two wheelers and penetration into rural market. By the end of the year it had its presence in about 1800 dealer points.

With proper product specification and marketing strategy, your Company has been able to cater to the requirements of nearly 5.50 lakh customers so far and has close to 3 lakh live customers at the end of the year that gone by. The strong customer loyalty enjoyed by Muthoot Pappachan Group, to which your Company belongs, has helped your Company to source public deposits at competitive rates thereby broad basing the borrowing profile. Also with the recent initiatives of the RBI in reducing interest rates, we have been able to reduce the cost of borrowing in respect of loans availed from banks, which is our major source of funds.

In line with the Company's track record of rewarding the shareholders, the Board of Directors has recommended a final dividend of ₹ 5 per equity share. Growth is not possible without a committed and illustrious workforce. I thank the entire team at MCSL for their support and contributions and expect to continue to receive the same in the future also.

I also wish to express my gratitude to all the shareholders for the trust reposed in and the co-operation extended to the Management of the Company and believe the same will continue for our future endeavors also. Let us all move forward with the common aim of promoting our Company as a leader in financial services sector with the highest level of professional Management.

Regards,

Sd/-

Thomas George Muthoot

Managing Director



FROM THE CHIEF EXECUTIVE OFFICER'S DESK

Dear Shareholders,

It is with immense pleasure that we report the performance of your Company for the financial year 2014 - 2015. The performance of your Company is linked to the demand for two wheelers, purchased on credit, as our main focus is on two wheeler finance. The rural demand for automobiles has been adversely impacted by unseasonal rains, poor crop realization and slowdown in rural wages. To compensate for the subdued growth in disbursements and to utilize the working funds available, the Company also bought two wheeler loans and micro finance loans from other NBFCs. The Company also increased its focus on SME loans towards the end of the year, leading to increased disbursement in that segment as well.

The total loan assets as on 31st March, 2015 stood at ₹ 840.55 crores as against ₹ 690.61 crores as on 31st March, 2014, the growth being 21.71%. The growth in loan assets was achieved by improved disbursement in the 4th quarter supported by growth in SME loans and portfolio buyouts.

The Company has recorded a growth of 20.49% in revenues during the year. The total income was ₹ 191.29 crores for the year ended 31st March, 2015 as against ₹ 158.76 crores for the previous year. The finance expenses were ₹ 76.77 crores for the year as against ₹ 60.45 crores for the previous year. The borrowings increased in line with the loan book. However, the Company was able to get the cost of funds reduced towards the end of the year.

Operations expenses for the period under review was ₹ 67.25 crores against ₹ 59.81 crores for the previous year. The net profit after taxes was flat at ₹ 22.29 crores compared to ₹ 22.21 crores in the previous year. The growth in the revenues is not reflected in the net profit mainly due to the increase in credit cost during the year.

The responsiveness of the Company in formulating schemes based on consumer feedback has helped the Company grow its live customer base to nearly 3,00,000 by the end of the year. With growing emphasis on states outside Kerala, the Company has progressively reduced its dependence on Kerala for growth and revenue. The disbursements within Kerala came down from 48% last year to 45% in the current year and the loans outstanding in Kerala came down from 58% in March, 2014 to 52% in March, 2015.

Due to subdued economic growth, the last two years have been a challenging period for almost all NBFCs with moderation in the rate of asset growth along with rise in delinquencies resulting in higher provisioning, impacting profitability. The Management and the entire workforce are well equipped to meet these challenges and take the performance of your Company to greater heights in the current year.

Anticipating your continued support and understanding in the years to come....

With Regards,

Sd/-

R. Manomohanan
Chief Executive Officer



BOARD OF DIRECTORS & COMMITTEES

Board of Directors

Mr. Thomas John Muthoot	Chairman
Mr. Thomas George Muthoot	Managing Director
Mr. Thomas Muthoot	Director
Mr. A. P. Kurian	Independent Director
Mr. R. K. Nair	Independent Director
Ms. Radha Unni	Independent Woman Director

Chief Executive Officer

Mr. R. Manomohanan

Chief Finance Officer

Mr. Vinodkumar M. Panicker

Company Secretary & Head-Governance

Mr. Syam Kumar R.

Audit Committee

Mr. A. P. Kurian	Chairman
Mr. Thomas Muthoot	
Mr. R. K. Nair	
Ms. Radha Unni	

Nomination & Remuneration Committee

Mr. A. P. Kurian	Chairman
Mr. R. K. Nair	
Ms. Radha Unni	

Stakeholders Relationship Committee

Mr. Thomas Muthoot	Chairman
Mr. Thomas John Muthoot	
Mr. Thomas George Muthoot	

Corporate Social Responsibility Committee

Mr. Thomas Muthoot	Chairman
Mr. R.K Nair	
Ms. Radha Unni	

Share Transfer Committee

Mr. Thomas George Muthoot	Chairman
Mr. Thomas Muthoot	
Mr. R. Manomohanan	

Bank Finance Committee

Mr. Thomas George Muthoot	Chairman
Mr. Thomas Muthoot	

Risk Management Committee

Mr. Thomas George Muthoot	Chairman
Mr. Thomas Muthoot	
Mr. R.K. Nair	
Mr. R. Manomohanan	
Mr. Vinodkumar M. Panicker	

**Asset Liability Management Committee**

Mr. R. Manomohanan	Chairman
Mr. R. Balakrishnan	
Mr. Vinodkumar M. Panicker	
Mr. Syam Kumar R.	
Mr. Vijayan T.	
Ms. Febin Meera Zachariah	

Statutory Auditors

M/s K. Venkatachalam Aiyer & Co., Chartered Accountants, Kochi

Secretarial Auditors

M/s SVJS & Associates, Company Secretaries, Kochi

Internal Auditors

M/s Varma & Varma, Chartered Accountants, Kochi

Bankers

State Bank of Travancore Ltd.
State Bank of India Ltd.
South Indian Bank Ltd.
Dhanlaxmi Bank Ltd.
Andhra Bank Ltd.
State Bank of Hyderabad Ltd.
Corporation Bank Ltd.
ICICI Bank Ltd.
Lakshmi Vilas Bank Ltd.
Yes Bank Ltd.
HDFC Bank Ltd.
IDBI Bank Ltd.
Federal Bank Ltd.
Kotak Mahindra Bank Ltd.
Axis Bank Ltd.
City Union Bank Ltd.
IndusInd Bank Ltd.

Registrar and Share Transfer Agents

Integrated Enterprises (India) Ltd.
2nd Floor, Kences Towers, 1st Floor, No. 1
Ramakrishna Street,
Off. North Usman Road, T. Nagar,
Chennai - 600 017

Debenture Trustee

Mr. A. Gopalakrishnan
M/s K. Venkatachalam Aiyer & Co.
Chartered Accountants,
Building No. 41/3647 B,
Providence Road, North End,
Kochi - 682 018

Public Deposits Trustee

IDBI Trusteeship Services Ltd.
Asian Building, Ground Floor,
17, R, Kamani Marg, Ballard Estate,
Mumbai - 400 001



REGISTERED OFFICE

Muthoot Capital Services Limited (MCSL)
3rd Floor, Muthoot towers, M.G Road, Kochi - 682 035
Tel: +91 - 484 - 6619600/6613450

SL. No.	BRANCH NAME	BRANCH ADDRESS
KERALA		
1.	Alappuzha	1 st Floor, Sharada Shopping Complex, Mullackal Road, Mullackal post, Alappuzha - 688 001
2.	Tirur	1 st Floor, Mundakkathu Building, Payyanangadi, Tirur , Malappuram
3.	Calicut	Door No. 27/383/A-3, 2 nd Floor, Soubhagya Shopping Complex, Near Aryadathupadam, Mavoor Road, Calicut - 4
4.	Kottayam	Door No. 480, Vallabhasseri Building, Near Shalom Church, Chingavanam P.O, Kottayam - 686 531
5.	Thrissur	1 st Floor, PVK Complex, Opp. Amala Hospital, Amala Nagar, Thrissur - 680 555
6.	Palakkad	Azhar Building, G.B Road, Palakkad
7.	Meenangadi	Ayisha Complex, Panamaram Road, Meenangadi , Wayanad
TAMIL NADU		
8.	Trichy	3 rd Floor, United Arcade, Above Spencer Super Market, Karur Bye Pass Road, Trichy - 620 001
9.	Salem	1 st Floor, N.V Arcade, 5/259A, Junction Main Road, Salem - 636 004
10.	Chennai	1 st Floor, Majestic Tower, Door No. 236, Choolaimedu High Road, Choolaimedu, Chennai - 94
11.	Coimbatore	Door No. 704,705,706,707, 3 rd Floor, Oppanakara Street Coimbatore , Tamil Nadu
12.	Theni	Tharun Tower, 2 nd Floor, Sriram Theatre Lane, Cumbum Road, Theni - 625 531
13.	Karaikkal	1 st Floor, Door No.2, Kannadiar Street, Karaikkal - 609 602
14.	Tanjore	1 st Floor, No. 5/163/4, Sorna Complex, Natarajapuram West, M.C Road, Tanjore - 613 004
15.	Thirunelveli	No. 42, Vadivagam, TVM High Road, Near Palai Bus Stand, Palayamkottai, Thirunelveli - 627 002
16.	Kumbakonam	1 st Floor, 53/1006, Mothilal Street, Kumbakonam , Tanjavoor - 612 001
KARNATAKA		
17.	Bangalore	136, M.K Arcade, Nawab Hyder Ali Road, Kalasipalayam, Bangalore -560 002
18.	Mysore	1 st Floor, Door No. 170/1, M 52, B.N Street, Opp: Mandi Market, Mandi Mohalla, Mysore - 570 021
19.	Shimoga	No. 44/44/44, Satish Arcade, 2 nd Floor, Savalanga Road, Shimoga - 577 201
20.	Hubli	1 st Floor, Above Vijayalakshmi TVS Show Room, Gokul Main Road, Hubli - 580 030



ANDHRA PRADESH		
21.	Guntur	Door No. 12-17-14, Somavari Street, Kothapet, Guntur - 522 002
22.	Kadapa	Door No. 42/332-2, Vandana Complex, Ground Floor (back side), Bhagya Nagar Colony, Opp. Shivalayam Temple, Kadapa - 516 001
23.	Amberpet, Hyderabad	Behind Muthoot Fincorp Ltd, Door No. 2-3-692/13, Near Police Line, Amberpet, Hyderabad - 500 013
24.	Vizag	1 st Floor, No. 47-15-4/1, Gurbanga Complex, Diamond Park Road, Dwaraka Nagar, Vizag - 530 016
25.	Vijayawada	No. 72/3/1, 1 st Floor, Opp. Canara Bank, Pattamatta, Vijayawada - 520 010
26.	Shivam Road, Hyderabad	1 st Floor, Door No. 2-2-647/A/3/1-5/1, New Nallakunta, Shivam Road, Hyderabad - 500 013
27.	Thirupathi	No. 392C, 1 st Floor, Opp. Fullerton Pvt. Ltd., R.C Road, Thirupathi - 517 501
GUJARAT		
28.	Ahmedabad	402, Ashoka Complex, Near Axis Bank Ltd., Sardar Patel Stadium Road, Navrangpura, Ahmedabad - 380 009
29.	Bharuch	1 st Floor, F 28-29, Millenium Market, Panchbatti, Bharuch - 392 001



GROWTH OVER LAST FIVE YEARS AT A GLANCE
FIVE YEAR FINANCIAL HIGHLIGHTS

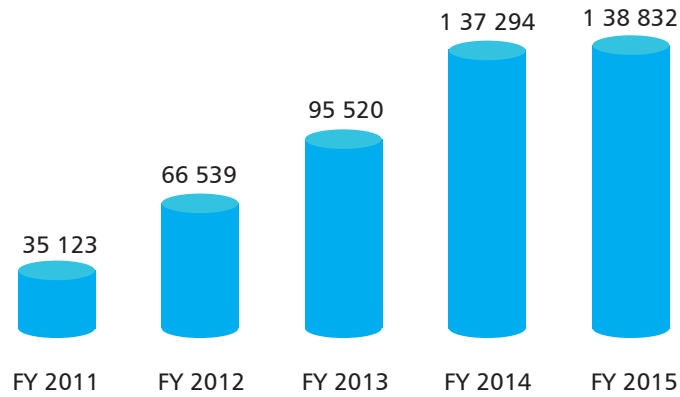
(₹ in Lakhs)

Financial year ended 31 st March	2011	2012	2013	2014	2015
Operating Results					
Total Income	37 18	67 35	107 22	158 76	191 29
Profit Before Tax (PBT)	14 51	23 01	32 27	33 58	34 17
Profit After Tax (PAT)	9 67	15 51	21 76	22 21	22 29
Assets					
Fixed Assets (including assets leased out)	64	1 18	1 98	2 84	2 04
Investments	19	19	21	7 07	13 54
Deffered tax asset	34	71	99	1 32	2 70
Net stock on hypothecation	130 49	290 76	454 39	678 04	783 00
Other assets	49 67	22 55	18 50	25 62	70 16
Total Assets	181 33	315 39	476 07	714 89	871 44
Liabilities					
Equity	6 50	12 47	12 47	12 47	12 47
Reserves and Surplus	22 27	74 51	90 43	106 07	120 82
Deffered tax liabilities	-	-	-	-	-
Loan funds and other liabilities	152 56	228 41	373 17	596 35	738 15
Total Liabilities	181 33	315 39	476 07	714 89	871 44
Key Indicators					
Earnings Per Share	12.1	13.1	17.5	17.8	17.9
Dividend per share	3.0	3.5	4.0	4.5	5*
Book value per share	44	70	83	95	1 07

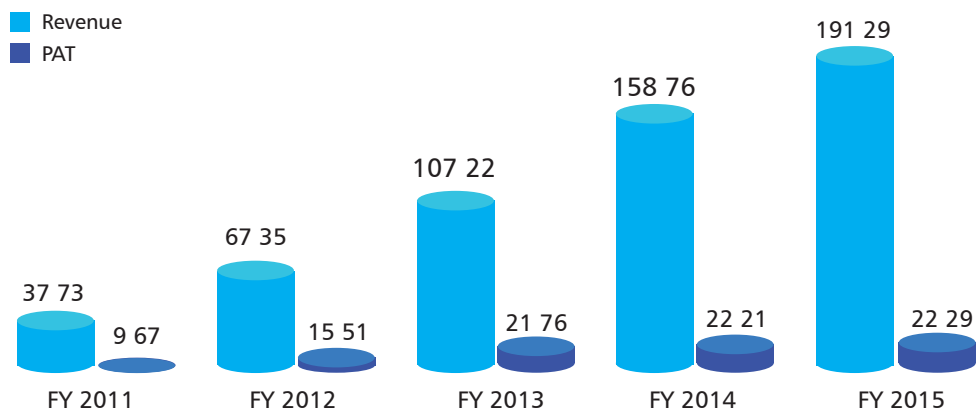
* Proposed dividend



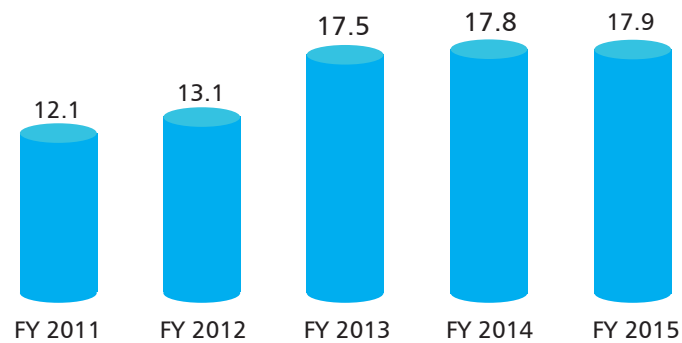
No. of Loan Disbursed



Revenue & PAT (₹ In Lakhs)

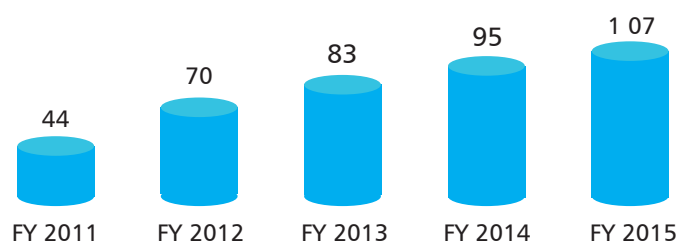


Earnings Per Share (In ₹)

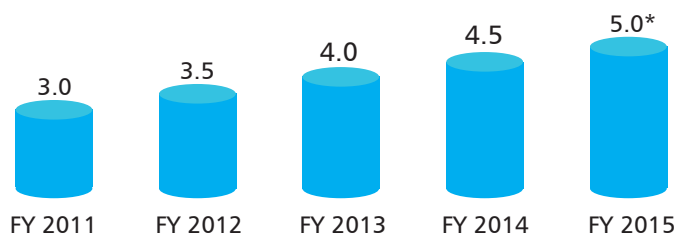




Book value per share (In ₹)

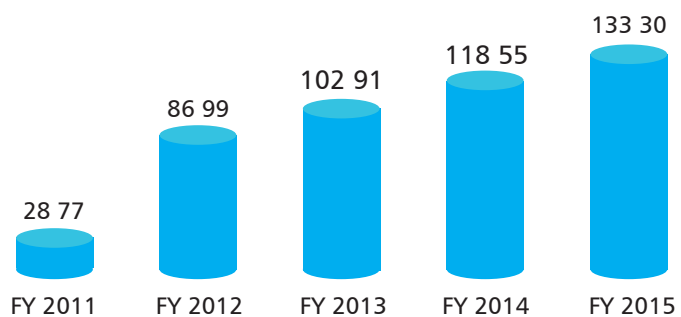


Dividend per share (In ₹)



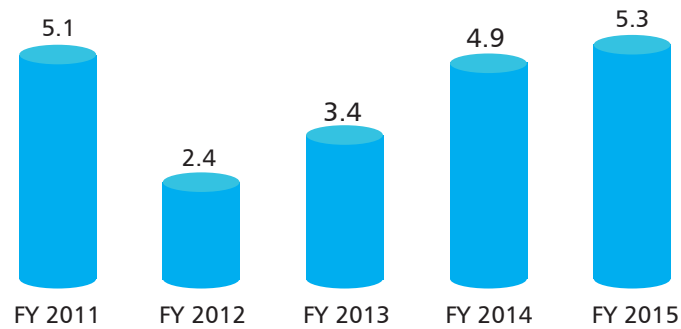
* Proposed dividend

Net worth (₹ In Lakhs)

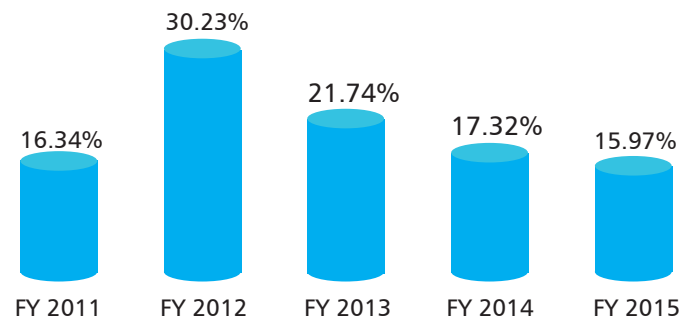




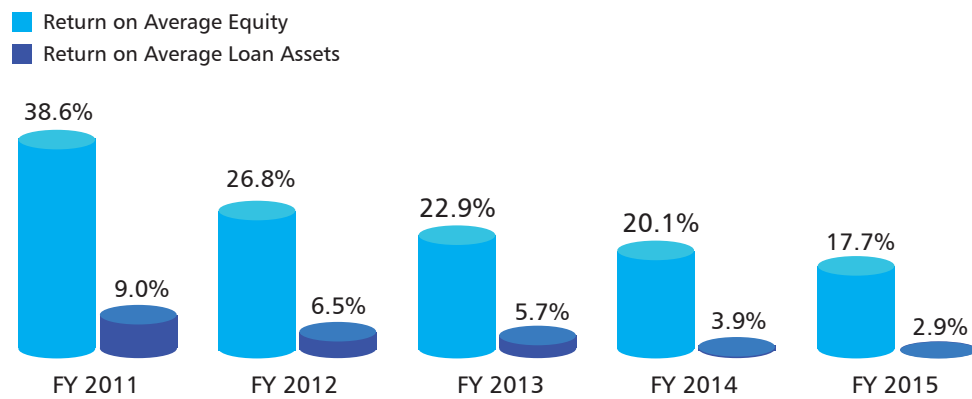
Debt Equity Ratio



Capital Adequacy Ratio



Return on Asset & Equity





Key Highlights

- ▶ Loan disbursement up 2% taking two wheeler loans alone, the increase is 5.5% v/s previous year.
- ▶ Total Loan Assets up from ₹ 690.61 crores in March, 2014 to ₹ 840.55 crores in March, 2015.
- ▶ Total Income up 20.49% from ₹ 158.76 crores to ₹ 191.29 crores.
- ▶ PAT up from ₹ 22.21 crores to ₹ 22.29 crores on account of higher costs especially 'loan loss provisions' which increased from ₹ 4.92 crores to ₹ 13.10 crores, higher interest costs on higher fund utilization and higher employee costs.
- ▶ An adhoc additional provision of ₹ 75 lakhs was made towards Non Performing Assets (NPA) as RBI has stipulated moving to a 150 days NPA norm by March, 2016.
- ▶ Return on Average Asset and Return on Average Equity for the year were at 2.9% and 17.7% as against 3.9% and 20.1% respectively in the previous year.



Key initiatives during the year 2014 - 2015

Muthoot Capital Services Ltd. (MCSL) join hands with Muthoot Microfin Ltd., Muthoot Honda and Muthoot Yamaha to help under privileged women customers realise their dream of owning a two wheeler.



Mr. Thomas Muthoot, Director, Muthoot Capital Services Ltd. with the representatives of MCSL and MML handing over the key to a proud owner of the two wheeler.



Mr. Thomas Muthoot, Director, Muthoot Capital Services Ltd. and the proud owners of the two wheelers.



The women entrepreneurs with their two wheelers.



A joyous moment as Muthoot Capital Services Ltd. enters into the pan India preferred financier tie up with Suzuki Motorcycle India Pvt. Ltd. The agreement was signed at Cochin by Mr. R. Manomohan, CEO, MCSL in the presence of Mr. Rakesh Kumar, National Head - Sales Planning, Suzuki Motorcycle India Pvt. Ltd. and Mr. R. Balakrishnan, General Manager, MCSL

Free Cleft Lip Surgeries - The CSR activity inaugurated by Malayalam Cine Artist Mr. Dileep in the presence of Mr. Thomas George Muthoot, Managing Director and Mr. Thomas Muthoot, Director, Muthoot Capital Services Ltd.





DIRECTORS' REPORT

To,

The Members,

Your Directors have pleasure in presenting their 21st Annual Report on the business and operations of the Company and the accounts for the financial year ended 31st March, 2015.

1. Financial summary and Performance of the Company

(₹ in 000' except per share)

Particulars	2014 - 2015	2013 - 2014
Total Income	191 28 64	158 75 78
Total Expenditure	152 14 25	121 69 58
Profit before Depreciation and other Provisions	39 14 39	37 06 20
Depreciation	138 97	78 94
Provisions and Write offs	358 86	2 69 03
Exceptional Items	-	4
Profit Before Tax	34 16 56	33 58 27
Provision for Taxation		
Current Tax	13 23 00	11 78 00
Deferred Tax	(1 36 02)	(32 56)
Income Tax adjustment for earlier years	43	(7 73)
Profit After Tax	22 29 15	22 20 56
Basic Earnings Per Share	17.87	17.80

An analysis of the Company's performance for the current and previous fiscal years reveal that the Company was able to achieve an impressive growth during the year under review. The total income rose to ₹ 191 28.64 lakhs during 2014 - 2015 as against ₹ 158 75.78 lakhs during the previous year. The total expenditure were ₹ 152 14.25 lakhs against ₹ 121 69.58 lakhs during the previous year. The net profit of the Company stood at ₹ 22 29.15 lakhs compared to ₹ 22 20.56 lakhs in the previous year. An amount of ₹ 15 00.59 lakhs has been proposed to be transferred to Reserves and Surplus during the year under review.

The Company raised funds for its working capital resources mainly from banks, the total amount of working capital loans outstanding being ₹ 580 61.96 lakhs as at 31st March, 2015. Further, the Company had in the current year raised money by way of subordinated debts and public deposits. As on 31st March, 2015 the total amount outstanding on subordinated debts and public deposits (including interest accrued) was ₹ 4 46.70 lakhs and ₹ 113 57.53 lakhs respectively. With emphasis on other sources of funding, the Company expects to reduce its dependence on bank funds. Another source of funds for the Company in the earlier years was issue of secured redeemable non-convertible debentures under private placement, a residual portion of which is still outstanding as on 31st March, 2015. The debentures issued are secured by way of floating charge on current assets of the Company. The Company has appointed trustees for ensuring that the interests of debenture holders are protected. The debentures outstanding together with interest accrued amounts to ₹ 7 59.91 lakhs as at 31st March, 2015.

The Company had, during the year 2012 - 2013, entered into sellout arrangement of loan receivables amounting to ₹ 37 25.84 lakhs (after deducting 10% for Minimum Retention Requirement). The aggregate amount outstanding under loan sellout as on 31st March, 2015 was ₹ 71.05 lakhs.



The sourcing of the business for the Company viz. two wheeler financing takes place at the dealer points for two wheelers. The Company has already activated 1800 dealers. It plans to activate 400-500 dealerships/sub dealerships additionally in the financial year 2015 - 2016. The Company is the preferred financier for Hero and Honda. It also has initiated steps to focus on other manufacturers like Suzuki, Yamaha, Royal Enfield, TVS, and Bajaj etc. during the financial year 2015 - 2016.

2. Change in the nature of business, if any

The Company is into the business of providing two wheeler loans only. There is no structural change in the business carried out by the Company during the year under review. Apart from the two traditional methods of growth through branches and dealer points, the Company is currently working at expanding the business by providing loans through the Micro Finance Division of Muthoot Fincorp Limited (MFL) to the micro finance customers. Under the arrangement, the Micro Finance Division will take care of the collection of loan repayment also. It is also looking at additional growth through loan portfolio buyout of good quality assets.

As mentioned above, the Company proposes to look at other means of funding like Non-Convertible Debentures/ Commercial Papers, apart from the existing means of financing by way of bank loans, public deposits, subordinated debts etc.

3. Directors

The Board of your Company consists of six Directors as on the date of this report as follows:

Category	Name of Directors
Executive Director	Mr. Thomas George Muthoot, Managing Director
Non - Executive –	Mr. Thomas John Muthoot, Chairman
Non - Independent Directors	Mr. Thomas Muthoot
Non - Executive	Mr. A.P. Kurian
Independent Directors	Mr. R.K. Nair
	Ms. Radha Unni

All the Directors have rich experience and specialized knowledge in various areas of relevance to the Company. The Company is immensely benefited by the range of experience and skills that the Directors bring to the Board. The composition of the Board is as per the Companies Act, 2013 and the Listing Agreement.

Mr. Thomas John Muthoot, Director (DIN: 00011618) retires at the ensuing Annual General Meeting (AGM) and being eligible offers himself for re-appointment. The Board of Directors recommends the re-appointment of Mr. Thomas John Muthoot as a Director of the Company. The detailed profile of Mr. Thomas John Muthoot, recommended for re-appointment is mentioned in the Notice for the AGM.

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

During the year under review, Mr. Philip Thomas, Director (DIN: 00051384) ceased to be a member from the Board on 28th June, 2014. Ms. Radha Unni (DIN: 03242769) was appointed as Additional Director on the Board on 28th June, 2014. Further at the 20th AGM held on 03rd September, 2014, Mr. A P Kurian (DIN: 00008022), Mr. R. K. Nair (DIN: 00631889) and Ms. Radha Unni were appointed as Independent Directors on the Board pursuant to Section 149,150,152 and other applicable provisions of the Companies Act, 2013, for a period of 5 years from 03rd September, 2014.

Ms. Malathy N., Company Secretary (ACS: 20399), resigned with effect from 21st April, 2014. Mr. Syam Kumar R. (FCS: 6086), was appointed as Company Secretary & Head-Governance with effect from 02nd June, 2014.

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

1. Mr. Thomas George Muthoot - Managing Director
2. Mr. R. Manomohan - Chief Executive Officer
3. Mr. Vinodkumar M. Panicker - Chief Finance Officer
4. Mr. Syam Kumar R. - Company Secretary & Head-Governance



B) Woman Director

In terms of the provisions of Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Company shall have at least one Woman Director on the Board. Your Company has Ms. Radha Unni, as Woman Director on the Board of the Company.

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

The Company has three Independent Directors on the Board. The Company has received necessary declaration from each Independent Director under Section 149 (7) of the Companies Act, 2013, that the Independent Directors of the Company meet the criteria for their independence laid down in Section 149 (6) of the Companies Act, 2013.

The Company has formulated a familiarization programme for its Directors which gives an insight into the history of the Company, its promoters, performance of the Company over the previous year's etc. The familiarization programme is posted on the website of the Company and the web link is:

http://www.muthootcap.com/pdf/Familiarisation_Programme.pdf

D) Policy on Board Diversity

The Policy on Board Diversity adopted by the Company includes the following:

- a. Diversity is ensured through consideration of a number of factors, including but not limited to skills, regional and industry experience, background and other qualities;
- b. The Company shall also take into account factors based on its own business model and specific needs from time to time;
- c. The Nomination & Remuneration Committee shall lead the process for Board appointment and for identifying and nominating, for approval of the Board, candidates for appointment to the Board;
- d. The benefits of experience/knowledge in the areas relevant to the Company and diversity continue to influence succession planning and continue to be the key criteria for the search and nomination of Directors to the Board; and
- e. Board appointments are based on merit and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board, including gender.

E) Formal Annual Evaluation of Board

As per Section 134 (3) (e) of the Companies Act, 2013, and Rule 8 (4) of the Companies (Accounts) Rules, 2014, the Nomination and Remuneration Committee formulated the criteria for determining qualifications, positive attributes and independence of Director and recommended to the Board a Policy on remuneration of the Directors, Key Managerial Personnel and other Employees. The Policy also included norms for evaluation of Directors, Chairman, MD, Board as a whole and various Committees of the Board. Based on the recommendation of the Committee, the said Policy on Nomination & Remuneration and Evaluation of Directors was adopted by the Board.

The Board of Directors has carried out an annual evaluation of its own performance, its Committees and individual Directors pursuant to the provisions of Section 178 (3) of the Companies Act, 2013, and the Corporate Governance requirements as prescribed under Clause 49 (IV) of the Listing Agreement. A structured questionnaire was prepared after seeking inputs from all the Directors on the basis of the criteria such as the Board composition and structure, Board processes and procedures, Board effectiveness etc.

The Board and Nomination & Remuneration Committee reviewed the performance of the individual Directors inter alia, on the basis of understanding and knowledge of the market in which the Company is operating, ability to appreciate the working of the Company and the challenges it faces, attendance of meeting, extend of participation and involvement in the meetings, ability to convey his views and flexibility to work with others. The performance of the Committees was evaluated by the Board based on composition of the Committees, effectiveness of the Committee meetings with respect to the terms of reference and conduct of meetings and procedures followed.

Separate meeting of Independent Directors was conducted during the year, to review the performance of the Board as a whole, performance of Non-Independent Directors, performance of the Chairman and assess the quality, quantity, timelines of flow of information from the Management to the Board of Directors.



F) Managerial Remuneration

The Company's Policy on Director's appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under Sub Section (3) of Section 178 of the Companies Act, 2013, is detailed in Corporate Governance Report forming part of the Directors Report.

4. Number of meetings of the Board of Directors

The Board of Directors met 7 times during the financial year 2014 - 2015 on the following dates: 20.05.2014, 28.06.2014, 04.08.2014, 02.09.2014, 05.11.2014, 10.12.2014 and 30.01.2015.

5. Audit Committee

As on 31st March, 2015, the Audit Committee consists of four Non-Executive Directors of which three are Non-Executive Independent Directors. All the Members of the Committee possess accounting or related financial management expertise. Composition of the Audit Committee is as follows:

Name of the Members	
Mr. Philip Thomas	Chairman*
Mr. A.P. Kurian	Chairman**
Mr. Thomas Muthoot	Member
Mr. R.K. Nair	Member
Ms. Radha Unni***	Member

* Relinquished his Chairmanship effective 28th June, 2014

** Appointed as Chairman of the Committee on 04th August, 2014

*** Appointed as a Member on 04th August, 2014

The constitution and terms of reference of the Committee are in accordance with the Listing Agreement, Companies Act, 2013 and Reserve Bank of India (RBI), Regulations which are elaborated in the Corporate Governance Report forming part of the Directors Report.

6. Other Committees of the Board

The details of the other Committees of the Board, their composition, terms of reference and the activities during the year are elaborated in the Corporate Governance Report forming part of the Directors Report.

7. Subsidiaries/Joint Venture/Associate Company

The Company has no subsidiary/joint venture/associate company and hence consolidation and applicable provision under the Companies Act, 2013, and Rules made thereunder are not applicable to the Company.

8. Material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report

No material changes or events have occurred since the date of the Balance Sheet that could have any effect on the financial position of the Company.

9. Deposits

As you are aware, your Company is a Non-Banking Financial Company (NBFC) registered with RBI having a category A (Deposit Taking) License. The Company started accepting public deposits during the previous year. The outstanding amount of public deposits as on 31st March, 2015, received by the Company including interest accrued that date is ₹ 113 57.53 lakhs. As on 31st March, 2015, there are 245 numbers of accounts of public deposits amounting to ₹ 3 46.56 lakhs which have become due for payment but have not been claimed by the depositors. The public deposits of the Company are rated as "FA Stable" by CRISIL.

The Company has the practice of sending communication by registered post two months in advance to the deposit holders whose accounts are about to mature. If the deposit holders are not responding to the communication, Company will contact the depositor in person instructing them to surrender the fixed deposit certificate and claim the amount. In case where the depositors are not traceable due to change in address/phone numbers, another



regular communication is sent to the deposit holders and other modes to contact the deposit holders are also initiated till the deposits are repaid.

Chapter V of the Companies Act, 2013 relating to acceptance of deposits by Companies, is not applicable to the Company since it is an NBFC registered with RBI.

10. Trustees for deposit holders

Subject to the provisions of RBI Guidelines for Trustees of deposit holders of the Non-Banking Financial Companies (NBFC), the Board appointed IDBI Trusteeship Services Limited as trustees for deposit holders.

As per the Master Circular-Miscellaneous Instruction to all NBFCs dated 1st July, 2014, NBFCs accepting/holding public deposits were directed to create a floating charge on the Statutory Liquid Assets invested in terms of Section 45-1B of the RBI Act, 1934, in favour of the depositors.

The Company created a floating charge on the Statutory Liquid Assets in favour of IDBI Trusteeship Services Limited as Trustee on behalf of the depositors as required under Section 45-1B of the RBI Act, 1934.

11. Capital Adequacy Ratio

Your Company's total Capital Adequacy Ratio (CAR) as on 31st March, 2015 stood at 15.97 % of the aggregate risk weighted assets on the Balance Sheet and risk adjusted value of the off-Balance Sheet items, which is above the regulatory minimum of 15%. The CAR as on 31st March, 2014 (previous year) stood at 17.32%.

12. Credit Rating

The Credit Rating enjoyed by the Company as on 31st March, 2015 and migration of rating during the year is as given below:

Credit Rating Agency	Instrument	Rating as on 31 st March, 2015	Migration during the financial year 2014 - 2015
CRISIL	Bank Loan Facilities	CRISIL A/Stable	CRISIL A (Negative) was converted to CRISIL A/Stable on 26.08.2014
CRISIL	Public Deposits	FA Stable	Revised the outlook to FA Stable from FA (Negative) on 26.08.2014
CRISIL	Short-Term Debts	CRISIL A1	No change

13. Significant & Material Orders passed by the Regulators

Your Directors confirm that there were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

14. Details in respect of adequacy of internal financial controls with reference to the Financial Statements.

The Company has in place adequate internal financial controls with reference to the financial statements. During the year under review there were no reportable material weaknesses in the systems or operations.

15. Corporate Social Responsibility (CSR)

Your Company has always responded in a reasonable manner to the growing needs of the society. A number of enriching and enlivening activities that contribute to the community in the areas of health, education, environment and preservation of the country's rich culture and heritage have been taken up.

The brief outline of the CSR Policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in [Annexure 1](#) to this report in the format prescribed in the Companies (Accounts) Rules, 2014. The policy is available on the website of the Company.

The composition and other details of the CSR Committee is detailed in the Corporate Governance Report.

16. Dividend

Your Directors have recommended a dividend of ₹ 5/- per equity share (i.e. 50 % on the face value of ₹ 10) aggregating to ₹ 6 23.63 lakhs for the financial year ended 31st March, 2015. This would result in an additional cash outflow of ₹ 1 26.96 lakhs on account of corporate dividend tax. Once approved by the ensuing AGM, the dividend will be paid to Members whose names appear in the Register of Members as on 14th August, 2015.



17. Reserves

Out of the profits generated by the Company, the Board proposes to make the following allocations to the various Reserves:

(₹ in '000)

Particulars	Amount
Transfer to Statutory Reserves	5 00 00
Transfer to General Reserves	2 50 00
Proposed dividend	6 23 63
Tax on proposed dividend	1 26 96
Total	15 00 59

18. Share Capital

The Company had not issued any equity shares either with or without differential rights during the financial year under review and hence, the disclosure requirements under Rule 4 (4) and Rule 16 (4) of the Companies (Share Capital and Debentures) Rules, 2014 is not applicable.

19. Statutory Auditors

M/s K. Venkatachalam Aiyer & Co., Chartered Accountants, were appointed as the Statutory Auditors of the Company during the 20th AGM held on 3rd September, 2014 for a period of three years. As per the provisions of Section 139 of the Companies Act, 2013, the appointment need to be ratified at each AGM during their tenure and your Directors recommend ratification of the appointment of Statutory Auditors for the financial year 2015 - 2016 in the ensuing AGM.

20. Auditors Report

There are no qualifications or adverse remarks mentioned in the Auditors' Report for the financial year 2014 - 2015. The notes to accounts forming part of financial statements are self explanatory and need no further clarification.

21. Secretarial Auditors Report

Secretarial Auditors Report for the financial year 2014 - 2015 as provided by M/s SVJS & Associates, Company Secretaries, 39/3519 B, 1st Floor, Padmam Apartments, Manikkath Road, Ravipuram, Kochi-16 is annexed to this report as **Annexure 2**.

There are no qualifications or adverse remarks in the Secretarial Auditors' Report.

22. Conservation of energy and technology absorption, foreign exchange earnings and outgo

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

- The Company has no activities relating to conservation of energy and technology absorption.
- There are no foreign exchange earnings or outgo during the period under review.

23. Whistle Blower Policy / Vigil mechanism for Directors and employees

The Company promotes ethical behavior in all its business activities and has a mechanism for reporting unethical behavior, actual or suspected frauds or violation of the Company's Code of Conduct or ethics policy. Pursuant to Section 177 (9) & 177 (10) of the Companies Act, 2013 and as per Clause 49 (II) (F) of the Listing Agreement, the Company has a Whistle Blower Policy/Vigil Mechanism in place. The mechanism should also provide for adequate safeguards against victimization of Director(s)/Employee(s) who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases. The said policy is available in the website of the Company which can be accessed by following the below link.

http://www.muthootcap.com/pdf/MCSL_Whistle_Blowing_GuidelinesV1.pdf

24. Particulars of loans, guarantees or investments under Section 186

The Company has not given any loans or provided any guarantee or made any investments pursuant to Section 186 of the Companies Act, 2013 during the period under review.



25. Particulars of contracts or arrangements with Related Parties

All the Related Party Transactions have been approved by the Audit Committee and also by the Board. The transactions with Muthoot Fincorp Limited (MFL) and Muthoot Bankers were approved by the shareholders at the last AGM of the Company held on 03rd September, 2014, and the approval is valid for a period of 5 years.

Transactions with related parties during the financial year under review are at arms length and in the ordinary course of business and confirming to the requirements of Companies Act, 2013. Omnibus approvals from Audit Committee were taken on a quarterly basis for the transactions that are foreseen and of repetitive in nature. Form AOC-2 as required under Section 134 (3) (h) of the Companies Act, 2013, read with Rule 8 (2) of the Companies (Accounts) Rules, 2014 is enclosed as **Annexure 3**.

The Company has in place a Related Party Transaction Policy which was approved by the Board and has been placed in the website of the Company.

The web link to the said policy is http://www.muthootcap.com/pdf/c_Policy.pdf

26. Corporate Governance Report

Your Company has taken adequate steps to adhere to all the stipulations laid down in Clause 49 of the Listing Agreement on Corporate Governance. A detailed report on Corporate Governance together with a certificate from the Statutory Auditors is included as a part of this report.

27. Management Discussion and Analysis Report

The Management Discussion and Analysis Report of the year under review is presented in a separate section forming part of this report.

28. Particulars of Employees

As required by the provision of Section 197 of the Companies Act, 2013, read with Rule 5 (1) and 5 (2) (i) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the names and other particulars of the Employees who were in receipt of remuneration in excess of ₹ 60 lakhs per annum during the year is attached to this report.

29. Listing with Stock Exchanges

The Company confirms that it has paid the annual listing fees upto the financial year 2015 - 2016 to BSE where the Company's shares are listed. The Company has also initiated steps to get the shares listed on National Stock Exchange (NSE).

30. Internal Control Systems and their adequacy

The details in respect of internal control systems and their adequacy are included in the Management Discussion and Analysis Report, which forms part of this report.

31. Directors' Responsibility Statement

Pursuant to Sub Clause (c) of Sub Section (3) of Section 134 of the Companies Act, 2013, your Directors state that-

- (a) in the preparation of the annual accounts, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;
- (b) we had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- (c) we had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) we had prepared the annual accounts on a going concern basis;
- (e) we had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) we had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.



32. Extract of Annual Return

The extract of the annual return in form No. MGT-9 is attached to this report as [Annexure 4](#).

33. Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has been employing 417 women employees in various cadres as on 31st March, 2015. The Company has in place an Internal Complaint Committee in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. There was no complaint received from any women employee during the period and hence no complaint is outstanding as on 31st March, 2015 for redressal.

34. Acknowledgements

The Directors sincerely acknowledge the contribution and support from customers, shareholders, depositors, debenture holders, Central and State governments, Bankers, SEBI, Bombay Stock Exchange Limited, Share Transfer Agents, Rating Agencies, Reserve Bank of India, Registrar of Companies, Kerala and Lakshadweep and Other government authorities for the kind co-operation and assistance provided to us. The Directors also place on record their gratitude to the employees and well-wishers for their continued commitment, dedication and co-operation.

Kochi
25th May, 2015

For and on behalf of the Board of Directors
Thomas John Muthoot
Chairman



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

The percentage of increase in remuneration of Managing Director, Chief Executive Officer, Chief Finance Officer and Company Secretary during the financial year 2014 - 2015, 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 the financial year 2014 - 2015 (₹ in Lakhs)	% increase in remuneration in the financial year 2014 - 2015	Comparison of the remuneration of the KMP against the performance of the Company
1.	Thomas George Muthoot, Managing Director	151.62	- 0.67	Profit Before Tax (PBT) increased by 1.74% and Profit After Tax (PAT) increased by 0.39% in the financial year 2014 - 2015.
2.	R. Manomohanan, Chief Executive Officer	100.99	- 1.75	
3.	Vinodkumar M. Panicker, Chief Finance Officer*	55.56	12.11	
4.	Syam Kumar R., Company Secretary & Head-Governance **	12.69	-	

* Employed for part of previous year

** Appointed on 02.06.2014

(i) The ratio of remuneration of Managing Director to the median remuneration of the employees of the Company for the financial year ended 31 st March, 2015	164.09			
(ii) The median remuneration of employees of the Company during the financial year	₹ 92,400			
(iii) Percentage increase in the median remuneration of the employees in the financial year 2014 - 2015	10%			
(iv) Number of permanent employees on the rolls of the Company as on 31 st March, 2015	2153			
(v) Relationship between average increase in remuneration and Company's performance	The Profit Before Tax for the financial year ended 31 st March, 2015 increased by 1.74% and increase in median remuneration was 10%. The average increase in median remuneration was in line with the Industrial Standards and Company's performance.			
(vi) Comparison of remuneration of KMP against the performance of the Company	Name of KMP	Remunerations for the year ended (₹ in Lakhs)		Reason for increase
		31.03.2015	31.03.2014	
	R. Manomohanan	100.99	102.79	
	Vinodkumar M. Panicker*	55.56	14.47	Part of the financial year 2013 - 2014 hence not comparable
	Syam Kumar R. **	12.69	-	-
* Employed for part of previous year				
** Appointed on 02.06.2014				



(vii) Variations in		31.03.2015	31.03.2014
	Market Capitalization	₹ 252 19.54 lakhs	₹ 120 29.79 lakhs
	Market Price	₹ 202.20	₹ 96.45
	Earnings Per Share	₹ 17.87	₹ 17.80
	Price Earnings Ratio	11.31	5.41
	Net worth	₹ 133 29 lakhs	₹ 118 54 lakhs

(viii) Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer (Right Issue)**

Particulars	31 st March, 2015	July, 2011	% of Change
Market Price (BSE)	202.20	80	152.75

** Adjusted for 1:1 Right Issue in 2011

(ix) Average percentage increase in the salaries of employees other than the managerial personnel in the last financial year and percentile increase in the managerial remuneration.	There is 9.35% increase in the salaries of employees other than managerial personnel and 16.49 % increase in the salaries of managerial personnel during the year. Justification for increase: The increase is in line with the Industrial standards and the Company's performance.
(x) The key parameters for any variable component of remuneration availed by the Directors	There is no variable component in the remuneration availed by the Managing Director.
(xi) 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

It is hereby affirmed that the remuneration paid to KMP and other employees are as per the Remuneration Policy of the Company.

STATEMENT SHOWING LIST OF EMPLOYEES REQUIRED TO BE ATTACHED TO THE DIRECTORS' REPORT AS PER SECTION 197 OF THE COMPANIES ACT, 2013 AND RULE 5 (2) (i) OF COMPANIES (APPOINTMENT & REMUNERATION) RULES, 2014.

Name, Qualification and Age (in years)	Designation and nature of employment	Remuneration (₹ in lakhs) (Gross)	Experience in years	% of Shareholding in the Company	Date of commencement of employment	Last employment
Mr. Thomas George Muthoot, B. Com, 52 years	Managing Director - On rolls	151.62	30	22.82	12.07.2011	NA
Mr. R. Manomohan, MSc Physics, Certified Associate of Indian Institute of Bankers. 61 years	Chief Executive Officer - On rolls	100.99	38	0.003	01.03.2008	EXIM Bank (Tanzania) Limited

Note:

None of the Employees fall within the category specified under Rule 5 (2) ii & iii of Companies (Appointment and Remuneration) Rules, 2014



Annexure 1

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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

CSR Policy

CSR Policy of the Company is designed to portray its commitment to be a responsible, corporate citizen and presents the strategies and methods for undertaking social programs for well being and sustainable development of the local community in which it operates. Each CSR activity of the Company is channelized through the Muthoot Pappachan Foundation. Aligning with its vision, the Company, will continue increasing value creation in the community in which it operates, through its services and CSR initiatives planned and implemented by Muthoot Pappachan Foundation, so as to stimulate well being for the community, in fulfilment of its role as a responsible, corporate citizen.

The CSR efforts of the Company will be facilitated through Muthoot Pappachan Foundation in a continuous and effective method. The CSR programs are bound by the theme **HEEL** and are identified as follows:

- ▶ **Health:** Life Blood Directory, Outreach camps, Smile Please, PMR Centre
- ▶ **Education:** Community Education Scheme, Scholarships, Financial Literacy
- ▶ **Environment:** Green Strategy
- ▶ **Livelihood:** Grant making

Web link: <http://www.muthootcap.com/pdf/csr-policy-final-website.pdf>

2. The Composition of the CSR Committee

CSR Committee of the Board consists of the following 3 directors as Members:

Name of the Members	
1. Mr. Thomas Muthoot	Chairman
2. Mr. R.K Nair	Member
3. Ms. Radha Unni	Member

3. Average net profit of the Company for the last three financial years: ₹ 29 61 97 942

4. CSR Expenditure (2% of the above): ₹ 59 23 959

5. Details of CSR spend for the financial year:

- a) Total amount spent for the financial year: ₹ 59 98 069*
- b) Amount unspent if any: Nil

* The amount paid to Muthoot Pappachan Foundation was ₹ 60 lakhs.



c) Manner in which the amount spent during the financial year is detailed below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	CSR project or activity identified.	Sector in which the Project is covered	Projects 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 spent on the projects or Programs Sub-heads: (1)Direct expenditure on projects or programs. (2)Overheads:	Cumulative expenditure upto to the reporting period	Amount spent: a) Direct or b) through implementing agency *
1.	Education support & Scholarships	Education-Schedule VII (ii)	Kerala	4 29 857	1) 4 29 857 2) -	4 29 857 -	a) 3 96 357 b) 33 500
2.	Smile Please Mission – Free Cleft Surgeries	Health-Schedule VII (i)	Kerala & Tamil Nadu	48 00 000	1) 48 00 000 2) -	48 00 000 -	a) - b) 48 00 000
3.	Assistance for Sports & Games	Sports-Schedule VII (vii)	Kerala	7 68 212	1) 7 68 212 2) -	7 68 212 -	a) 18 212 b) 7 50 000
	Total			59 98 069	59 98 069	59 98 069	59 98 069

* Details of implementing agency:

Direct implementing agency: Muthoot Pappachan Foundation

Partnership NGOs:

- ▶ Education: Rajagiri Outreach Service Society (Charitable Trust)
- ▶ Health: Operation Smile India (Charitable Trust)
- ▶ Sports: Ernakulam Cricket Club (Charitable Trust)

Declaration

The implementation and monitoring of CSR Policy is in compliance with CSR Objectives and policy of the Company.

Sd/-
Thomas George Muthoot
Managing Director

Sd/-
Mr. Thomas Muthoot,
Chairman, CSR Committee



Annexure 2

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015
[Pursuant to section 204 (1) of the Companies Act, 2013 and Rule No.9 of the Companies
(Appointment and Remuneration of Personnel) Rules, 2014]

To,

The Members,

Muthoot Capital Services Limited

3rd Floor, Muthoot Towers,
M.G Road, Kochi - 682 035.

We, SVJS & Associates, Company Secretaries, have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Muthoot Capital Services Limited [CIN: L67120KL1994PLC007726]** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of M/s Muthoot Capital Services Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s Muthoot Capital Services Limited ("the Company") for the financial year ended on 31st March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Companies Act, 1956 (to the extent applicable) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (v) As informed to us, the following Regulations and Guidelines prescribed under the Reserve Bank of India Act, 1934 applicable to Non Banking Financial Companies (Deposit Taking) are specifically applicable to the Company:
 - a. Non Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998;
 - b. Non Banking Financial (Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007;
 - c. Non Banking Financial Companies Auditors' Report (Reserve Bank) Directions, 2008;



- d. Guidelines for investment in unencumbered approved securities;
- e. Reserve Bank of India (Non Banking Financial Companies) Returns Specifications, 1997;
- f. Guidelines for Asset Liability Management (ALM) system in Non Banking Financial Companies;
- g. Frauds- Future Approach towards monitoring of Frauds in Non Banking Financial Companies;
- h. Know Your Customer (KYC) Guidelines Anti Money Laundering Standards;
- i. Fair Practice Code;
- j. Corporate Governance;
- k. Regulation of excessive interest charged by NBFCs;
- l. Miscellaneous Instructions to all Non Banking Financial Companies.

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

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

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

In respect of other laws specifically applicable to the Company, we have relied on information/records produced by the Company during the course of our audit and the reporting is limited to that extent.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions of the board were unanimous and the same was captured and recorded as part of the minutes.

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

We further report that during the audit period, the Company has passed a special resolution under section 180 of the Act, at its 20th Annual General Meeting held on 3rd September 2014, for borrowings to a sum not exceeding Rupees One Thousand Crores, at any time, and there were no instances of:

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

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

Kochi
25th May, 2015

**For SVJS & Associates
Company Secretaries**

**CS Sivakumar P.
Managing Partner
CP No: 2210
FCS: 3050**

**'Annexure A'**

To,

The Members,

Muthoot Capital Services Limited

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

1. Maintenance of the Secretarial records is the responsibility of the management of the Company. Our responsibility as Secretarial Auditors is to express an opinion on these records, based on our audit.
2. During the audit, we have followed the practices and process as were appropriate, to obtain reasonable assurance about the correctness of the contents of the Secretarial records. We believe that the process and practices we followed provide a reasonable basis for our report.
3. The correctness and appropriateness of financial records and Books of Accounts of the Company have not been verified.
4. Where ever required, we have obtained the management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards etc. is the responsibility of management. Our examination was limited to the verification of the procedures and compliances on test basis.

**For SVJS & Associates
Company Secretaries**

**CS Sivakumar P.
Managing Partner
CP No: 2210
FCS: 3050**

Kochi

25th May, 2015



Annexure 3

Form No. AOC-2

(Pursuant to Clause (h) of Sub Section (3) of Section 134 of the Act and Rule 8 (2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in Sub-Section (1) of Section 188 of the Companies Act, 2013, including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arms length basis

All transactions entered into by the Company during the year with related parties were on an arms length basis.

2. Details of material contracts or arrangement or transactions at arms length basis.

The transactions entered into by the Company during the year with related parties on an arms length basis were not material in nature.

Kochi
25th May, 2015

Thomas John Muthoot
Chairman



Annexure 4

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

For the Financial Year ended 31st March, 2015

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

I. REGISTRATION AND OTHER DETAILS:

(i)	Corporate Identity Number (CIN)	L67120KL1994PLC007726
(ii)	Registration Date	18 th February, 1994
(iii)	Name of the Company	Muthoot Capital Services Limited
(iv)	Category of the Company	Company Limited by Shares
(v)	Address of the Registered Office and contact details:	Muthoot Capital Services Limited 3 rd Floor, Muthoot Towers, M.G. Road Kochi, Kerala - 682 035 T: +91 484 6619600/6613450, F: +91 484 2381261
(vi)	Whether Listed Company	Yes
(vii)	Name, Address and Contact details of Registrar and Transfer Agent	Integrated Enterprises (India) Limited 2 nd Floor, Kences Towers, No.1, Ramakrishna Street, Off: North Usman Road, T. Nagar Chennai - 600 017. Ph: 044 - 28140801- 03; Fax: 044 - 28142479 E-mail: csdstd@integratedindia.in Contact Person: Mr. K. Balasubramanian, Assistant General Manager

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main Products / Services	NIC Code of the Product / Service	% to total turnover of the Company
1.	Income from loans for purchase of two wheelers	65921 (Activities of hire -purchase financing)	98
2.	Others		02
	Total		100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Not Applicable



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

i) Category wise Shareholding

Category of shareholders	No. of Shares held at the beginning of the year i.e. 01.04.2014				No. of Shares held at the end of the year i.e. 31.03.2015				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual	9353431	0	9353431	74.99	9345231	0	9345231	74.93	-0.06
b) Central Govt.									
c) State Govt. (s)									
d) Bodies Corp.									
e) Banks / FI									
f) Any Others									
Sub-total (A) (1)	9353431	0	9353431	74.99	9345231	0	9345231	74.93	-0.06
(2) Foreign									
a) NRIs-Individuals									
b) Other Individuals									
c) Bodies Corp.									
d) Banks / FI									
e) Any Other									
Sub-total (A) (2)	0	0	0	0	0	0	0	0	0
Total shareholding of Promoters (A) = (A)(1) + (A)(2)	9353431	0	9353431	74.99	9345231	0	9345231	74.93	-0.06
B. Public Shareholding									
1. Institutions									
a) Mutual Funds									
b) Banks / FI	0	300	300	0.002	0	300	300	0.002	0
c) Central Govt.									
d) State Govt.(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1)	0	300	300	0.002	0	300	300	0.002	0



Category of shareholders	No. of Shares held at the beginning of the year i.e. 01.04.2014				No. of Shares held at the end of the year i.e. 31.03.2015				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non Institutions									
a) Bodies Corp.	109300	6900	116200	0.930	127206	6900	134106	1.075	+0.145
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	1223975	418591	1642566	13.170	1376465	392991	1769456	14.187	+1.017
ii) Individual shareholders holding nominal share capital in excess of ₹ 1lakh	1267124	73300	1340424	10.750	1135591	73300	1208891	9.692	-1.058
c) Others:									
Clearing Members	19654	0	19654	0.160	14591	0	14591	0.117	-0.043
Sub-total (B)(2)	2620053	498791	3118844	25.01	2653853	473191	3127044	25.07	+0.06
Total Public Shareholding (B)=(B)(1) + (B)(2)	2620053	499091	3119144	25.01	2653853	473491	3127344	25.07	+0.06
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	11973484	499091	12472575	100	11999084	473491	12472575	100	0.00



(ii) Shareholding of Promoters

Sl. No	Shareholders Name	Shareholding at the beginning of the year i.e. 01.04.2014			Shareholding at the end of the year i.e. 31.03.2015			
		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	% change in shareholding during the year
1.	Mr. Thomas John Muthoot	2850995	22.86	0	2850995	22.86	0	0
2.	Mr. Thomas George Muthoot	2846555	22.82	0	2846555	22.82	0	0
3.	Mr. Thomas Muthoot	2796931	22.42	0	2796931	22.42	0	0
4.	Ms. Preethi John	221737	1.78	0	221737	1.78	0	0
5.	Ms. Nina George	280543	2.25	0	272343	2.19	0	0.06
6.	Ms. Remmy Thomas	356670	2.86	0	356670	2.86	0	0
	Total	9353431	74.99	0	9345231	74.93	0	0.06

(iii) Change in Promoters Shareholding

Sl. No.	At the beginning of the year i.e. 01.04.2014	Shareholding at the beginning of the year i.e. 01.04.2014		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
		9353431	74.99		
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/sweat equity etc)	1. Sale of 1000 Shares on 02.05.2014 2. Sale of 2000 Shares on 20.05.2014 3. Sale of 2002 Shares on 22.05.2014 4. Sale of 205 Shares on 03.06.2014 5. Sale of 3793 Shares on 04.06.2014 6. Sale of 1000 Shares on 17.06.2014 7. Sale of 1000 Shares on 07.07.2014 8. Purchase of 1000 Shares on 02.05.2014 9. Sale of 100 Shares on 15.09.2014 10. Sale of 200 Shares on 19.09.2014 11. Purchase of 100 Shares on 24.09.2014 12. Purchase of 2000 Shares on 10.11.2014		9352431 9350431 9348429 9348224 9344431 9343431 9342431 9343431 9343331 9343131 9343231 9345231	74.98 74.96 74.95 74.95 74.91 74.91 74.90 74.91 74.91 74.90 74.91 74.93
	At the end of the year i.e. 31.03.2015			9345231	74.93



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

Sl. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year i.e. 01.04.2014		Cumulative Shareholding at the end of the year i.e. 31.03.2015	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	At the beginning of the year i.e. 01.04.2014,				
	1. Manoj Varghese	330304	2.64	0.00	0.000
	2. George Jacob	78501	0.62	819	0.006
	3. George Thomas	77390	0.62	869	0.006
	4. Avinash P. Wadhwa	75000	0.60	68754	0.551
	5. Ritu Elizabeth George	67121	0.53	67121	0.538
	6. Nancy Babu	61829	0.49	39652	0.317
	7. Alex K. Thomas	61829	0.49	61829	0.495
	8. K .C. Thomas.	61829	0.49	61829	0.495
	9. Rintu Rebecca George	61828	0.49	39782	0.318
	10. Tabita Sarah Alex.	61828	0.49	61828	0.495

Note:

The Shares of the Company are traded on daily basis and hence the date wise increase/decrease in the shareholding is not indicated.

(v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	For each of the Directors and KMPs	Shareholding at the beginning of the year i.e. 01.04.2014		Cumulative Shareholding at the end of the year i.e. 31.03.2015	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	At the beginning of the year i.e. 01.04.2014				
1.	Mr. Thomas George Muthoot, Managing Director	2846555	22.82	2846555	22.82
2.	Mr. R. Manomohanam, Chief Executive Officer	4400	0.04	400	0.003
3.	Mr. Vinodkumar M. Panicker, Chief Finance Officer	0	0	0	0
4.	Mr. Syam Kumar R., Company Secretary & Head - Governance*	NA	NA	0	0

* Appointed on 02.06.2014



V. INDEBTEDNESS

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

	Secured Loans excluding deposits (₹ in Lakhs)	Unsecured Loans (₹ in Lakhs)	Deposits (₹ in Lakhs)	Total Indebtedness (₹ in Lakhs)
Indebtedness at the beginning of the financial year i.e. 01.04.2014				
i) Principal Amount	501 63.50	10 79.62	58 88.26	571 31.38
ii) Interest due but not paid*	4.80	-	-	4.80
iii) Interest accrued but not due	3 84.36	25.53	97.93	5 07.82
Total (i+ii+iii)	505 52.66	11 05.15	59 86.19	576 44.00
Change in Indebtedness during the financial year				
• Addition	262 35.10	2 92.92	53 71.34	318 99.36
• Reduction	177 13.64	5 48.25	-	182 61.89
Net Change	85 21.46	(2 55.33)	53 71.34	136 37.47
Indebtedness at the end of the financial year i.e. 31.03.2015				
i) Principal Amount	585 73.95	7 82.46	110 04.46	703 60.87
ii) Interest due but not paid	4.47	-	.36	4.83
iii) Interest accrued but not due	4 95.70	67.36	3 52.71	9 15.77
Total (i+ii+iii)	590 74.12	8 49.82	113 57.53	712 81.47

* Interest due but not paid represents the interest due on unclaimed matured Debenture and Public Deposit.



VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in '000)

Sl. No.	Particulars of remuneration	Name of MD/WTD/ Manager	Total Amount
		Thomas George Muthoot	
1.	Gross Salary:		
	(a) Salary as per provisions contained in Section 17 (1) of the Income Tax Act, 1961	1 50 00	1 50 00
	(b) Value of perquisites u/s 17 (2) of the Income Tax Act, 1961	1 62	1 62
	(c) Profits in lieu of salary under Section 17 (3) of the Income Tax Act, 1961	Nil	Nil
2.	Stock Option	Nil	Nil
3.	Sweat Equity	Nil	Nil
4.	Commission - as % of profit - Others, specify...	Nil	Nil
5.	Others, please specify	Nil	Nil
	Total (A)	1 51 62	1 51 62
	Ceiling as per the Act (Approved by the Shareholders at the AGM held on 08.08.2013)	1 56 00	

B. Remuneration to other Directors: No remuneration is paid to other Directors.



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

(₹ in '000)

Sl. No.	Particulars of remuneration	Key Managerial Personnels			
		CEO	CFO	Company Secretary*	Total
1.	Gross Salary				
	(a) Salary as per provisions contained in section 17 (1) of the Income Tax Act, 1961	97 28	51 69	12 69	16 166
	(b) Value of perquisites u/s 17 (2) of the Income Tax Act, 1961	3 71	3 87	Nil	7 58
	(c) Profits in lieu of Salary under Section 17(3) of the Income Tax Act, 1961	Nil	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil
4.	Commission - as % of profit - Others, specify...	Nil	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil	Nil
	Total	100 99	55 56	12 69	169 24

* Appointed on 02.06.2014

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: Nil



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Overview

This Management Discussion and Analysis Report has to be read in conjunction with the Company's financial statements, which follows this section. There are forward looking statements mentioned in this report which may involve risks and uncertainties, including but not limited to the risks inherent to the Company's growth strategy, change in regulatory norms, economic conditions and other incidental factors. Actual results could differ materially from those expressed or implied.

Economic Overview

Global economy continues to grow at a modest pace. Growth in emerging market economies is softening. The outlook for advanced economies is showing signs of improvement. The significant factors that influenced the market developments during 2014 - 2015 are the appreciation of the US dollar and significant fall in crude oil prices. Against the background of the above two factors, steps for easing of monetary policy was seen towards the end of the financial year 2014 - 2015.

Macro economic risks also have slightly decreased. The major risk last year, namely, a recession in the Euro area, has decreased, and so has the risk of deflation. But financial and geopolitical risks have increased.

Indian Economy

The Indian economy grew at about 7.3% in 2014 - 2015 due to improvement in the performance of both services as well as manufacturing sectors. The fourth quarter (January-March) of 2014 - 2015 saw the economy grow at 7.5%, better than 6.6% recorded for the previous quarter (October-December). This has helped India overtake China to become the world's fastest growing economy for the March quarter. The per capita income at current prices during 2014 - 2015 rose by 9.2% to ₹ 87 748 as against ₹ 80 388 in the previous fiscal. It was ₹ 64 316 in 2011 - 2012 and ₹ 71 593 in 2012 - 2013. The growth was aided by recent policy reforms, a consequent pickup in investment, and lower oil prices.

Outlook for the industry

The Non Banking Financial Sector (NBFC) continues to gain systemic importance in the recent years and the share of NBFC has steadily grown from 10.7% of financial assets in 2009 to 14.3% in 2014. The Reserve Bank of India (RBI) has been in the recent past trying to strengthen the risk management framework in the sector, and tighten the regulations and towards this objective, had released the revised regulatory framework for NBFCs' during November 10, 2014 and March 27, 2015 which broadly focuses on strengthening the structural profile of NBFC sector. The focus of the revised guidelines is more on safeguarding of the interest of depositors and plugging regulatory gaps so as to prevent regulatory arbitrage between Banks and NBFCs.

Due to subdued economic growth, the last two years have been a challenging period for the NBFCs with moderation in rate of asset growth along with rise in delinquencies resulting in higher provisioning, impacting profitability. With several new initiatives aimed at increasing the importance of this sector, the sector is in for better times in the days and years to come.

Outlook for the Company

The outlook for the Company is linked to the demand for two wheelers, purchased on credit, as our main focus is on two wheeler finance. Due to several cases of delinquencies, the Company discontinued fresh loan disbursements for three wheelers purchases during the year 2014 - 2015.

Two wheelers sales registered growth of 8.09% in April - March, 2015 over April - March, 2014. Within the two wheelers segment, scooters, motorcycles and mopeds grew by 25.06%, 2.50% and 4.51% respectively in April - March, 2015 over April - March, 2014. Motorcycles which contributed 75% of the total two wheeler sales started sliding from October, 2014 onwards to reach 64% of the total two wheeler industry by March, 2015.

The rural demand for automobiles has been adversely impacted by unseasonal rains, poor crop realization and slowdown in rural wages have pulled back the rural economy, impacting retail off takes in rural markets. To compensate the decrease in sale of motorcycles, the Company launched schemes for financing scooters for women. Convenience of automatic transmission, unisex appeal and increasing demand for mobility from women were some of the major factors considered for increasing focus on scooters and launching the women's scheme.



This strategic initiative led to 15,000 disbursements from the scheme during November, 2014 to March, 2015 which significantly contributed to the top line growth on a Y-O-Y comparison.

With a view to grow the business, the Company bought loans, relating to two wheeler and Micro Finance from other NBFCs. The Company also increased its focus of Small Medium Enterprise (SME) loans towards the end of the year, leading to increased disbursement in that segment as well.

The Company has already established itself as one of the top financiers for two wheelers purchase in the southern states and also in parts of Goa, Maharashtra and Gujarat. The responsiveness of the Company in formulating schemes based on consumer feedback has helped the Company grow its live customer base to about 3,00,000 at the end of the year. With growing emphasis on states outside Kerala, the Company has progressively reduced its dependence on Kerala for growth and revenue. The disbursements within Kerala came down from 48% last year to 45% in the current year and the loans outstanding in Kerala came down from 58% in March, 2014 to 52% in March, 2015.

Opportunities and Threats

In order to bring parity between the NBFCs and other financial institutions in the matters of the debt recovery, it has been proposed in the Finance Bill, 2015 that the NBFCs with net worth of ₹ 500 crores or more will now be considered as “financial institutions” for the purpose of SARFAESI Act, 2002. This will enable NBFCs to repossess the underlying assets financed by them.

The percentage of financed sales of two wheelers have increased from below 30% five years back to nearly 40 % now. Your Company's presence and ability to continue to penetrate into smaller towns and other rural areas help reach the customers located in these areas which the manufacturers and dealers are also beginning to target. Even in the states the Company is present, there are many areas to which the Company is yet to expand its operations and there are many two wheeler dealers where the Company is not having its presence. This gives the Company opportunity for expansion of business.

Profitability of NBFCs is expected to remain under pressure in the current fiscal due to new RBI guidelines which requires NBFCs to migrate to a minimum Non Performing Assets (NPA) recognition of 150 days overdue from 180 days overdue. Also the overall repayment ability of the consumer, which has worsened in the previous year, could impact Gross NPAs (GNPA) and consequent profitability. While the situation has improved over the last quarter of the previous financial year, the position is still grim and would require lot of aggression on the ground to keep the NPAs in check.

Over the medium term, however, along with an increase in demand, a supportive operating environment and a stable or soft interest rate regime are factors which could support NBFCs ability to improve profitability and shareholder returns. The Company faces stiff competition from Banks and other NBFCs operating in similar areas of business and challenges from regulatory changes in the NBFC and ancillary sectors. However, with its excellent service, customer focus and unique differentiators in the product, the Company has been able to continue to expand its business.

Segment-wise or Product-wise performance

The Company's business activity primarily falls within a single business segment which is financing activities. Hence, there are no additional disclosures required under Accounting Standard 17 'Segment Reporting'.

The Company operates primarily in India; hence there is no other significant geographical segment that requires disclosure.

Risks and Concerns

The customers' profile is an important aspect for the business of the Company. The Credit Bureaus have helped to a certain extent in identifying the risk associated with a customer and improving the asset quality of the Company thereby reducing credit risk. But on account of the profile of the customers that the Company deals with, the 'hits' in the Credit Bureaus (CB) utilised by the Company is only about 30%.

Dealers play a big role in directing customers to financiers. Our Company has been prompt in making reasonable incentive payments to the dealers and our prompt services have rendered us a financier of choice for the dealers. Our Company has been financing vehicles only selected manufacturers available in the market. Also our Company is present mainly in southern States. Both of this leaves us with plenty of room for expansion. Any increase in interest rates may result in increasing cost of borrowings which can adversely affect our profitability.



We carry sufficient liquid funds to meet any contingencies arising on account of shortage of funds. The Company is also looking at various alternate sources of funds to both diversify its borrowing profile and also lower its costs.

A Company's growth is directly linked to its strong and committed workforce. With the training and development activities, higher recruitment, better incentive schemes initiated etc., the Company has been trying to control employee attrition. With more competitors coming in, willing to grow at any cost, the Company lost a lot of its loyal work force in the previous year, which impacted the business in the initial phase in the previous year.

Any change in regulatory requirements for NBFCs can have a bearing on the functioning of the Company. The overall economic slowdown and its impact on service sector is also a cause of concern.

Internal Control Systems and their adequacy

Effective internal controls are necessary for building up an efficient organization. Our Company has adequate internal control systems in place to ensure accuracy, transparency and accountability in its operations. A dedicated concurrent audit team functioning within the Company confirms that the activities are in compliance with its policies and occurrences of deviations are reported to the Management. The concurrent audit report is reviewed by the Internal Auditors - M/s Varma & Varma, a firm of practicing Chartered Accountants. Internal Auditors review systems and operations of the Company and ensure that the Company is functioning within the limits of all applicable statutes. Any internal control weaknesses, non-compliance with statutes and suggestions on improvements in existing practices form part of internal audit report. Audit Committee reviews the internal audit report and ensures that observations pointed out in the report are addressed in a timely and structured manner by the Management. The internal audit report is reviewed by Statutory Auditors while performing audit functions to confirm that there are no transactions conflicting with the interests of the Company and statutory and regulatory stipulations.

Risk Management policy.

The Directors have put in place a Risk Management Policy to ensure that all the current and future material risk exposures of the Company are identified, assessed, quantified, appropriately mitigated, minimized and managed. At an entity level, the objective of risk management is to align the risk appetite of the Company with its strategy. At an operational level, it is intended to enable the Company to make consistent business and operational decisions across all units and departments that align the risk with reward and are within the broad risk appetite of the Company and eschew all actions that give rise to unacceptable risks.

The risks are managed according to the following risk clusters:

i) Strategic risk

The risk management division will be involved in strategy setting so that the organization's risk appetite can be aligned with its strategy. The concept of 'risk management as a strategy partner' will be implemented in spirit and not just as a cliché.

Broadly, the involvement of risk management in the strategic risk management process would be to review:

- ▶ The strategy, business plans and budgets that are prepared by senior management for Board approval;
- ▶ The business case analysis for any new investments, products or projects by challenging the assumptions and highlighting associated risks;
- ▶ Capital planning - outlook and allocation;
- ▶ Performance monitoring;
- ▶ Analysis of economic trends and potential impact on the business;
- ▶ Peer comparison;

ii) Credit risk

Credit risk is the risk of loss arising from a borrower's inability or willingness to repay as promised. Such losses may include principal and/or interest in the case of financial loans extended or the non-recovery of an advance paid for services or goods.

Specific measures for managing and monitoring credit risk are documented in a Credit Policy Manual.



iii) Operational risk

Operational risk is the risk of loss arising from inadequate or failed processes and systems, and, people (from wrong fitments and/or from errors of omission/commission). Operational risk assessments and review of compliance with laid down processes would be undertaken by the internal audit division which will perform process audits at a corporate level and for selected branches. Measures for managing operational risk are inbuilt into the asset product/process manuals. The risk policy elements relating to operational risk are owned by risk management and the operational process itself is owned by the respective department.

iv) Market risk

Market risk is the risk that the value of a portfolio will decrease due to the change in value of the market risk factors. In the context of the Company, market risk is considered to be made up of interest rate, liquidity, foreign currency, and investment risks.

v) Compliance & legal risk

Compliance risk is the current and prospective risk to earnings or capital arising from violations of, or nonconformance with, laws, rules, regulations, prescribed practices, internal policies, and procedures, or ethical standards. The qualitative aspects for compliance risk is managed by the legal and corporate affairs department which measure will involve preparing an inventory of applicable laws and regulations and review of relevant process manuals by representatives from the legal department in to ensure regulatory/legal compliance is inbuilt into the processes as applicable.

vi) Other risks

This is a residual category which captures all risks that have not been captured above. At an entity level, some of the risks may assume varying degrees of importance and are not considered to be of low risk.

Financial Performance

Loans for purchase of two wheelers against their hypothecation in favour of the Company constitute major portion of the loan assets of the Company.

The Company had disbursed ₹ 592 45 lakhs as vehicle loans during the financial year ended 31st March, 2015 as against ₹ 581 63 lakhs during the financial year ended 31st March, 2014. The total income was ₹ 191 29 lakhs for the year ended 31st March, 2015 as against ₹ 158 76 lakhs for the previous year. There has been growth in income from auto loan by 20.63%.

The total expenses for the year ended 31st March, 2015 consists of finance cost amounting to ₹ 76 77 lakhs followed by employee benefit expenses amounting to ₹ 39 30 lakhs, other expenses being ₹ 36 08 lakhs and depreciation expenses amounting to ₹ 1 39 lakhs.

Financial Snapshot	Year To Date (YTD)		% Growth	Reason for variance
	31 st March, 2014 (₹ In Lakhs)	31 st March, 2015 (₹ In Lakhs)		
Disbursement	581 63	592 45	1.79%	The Company lost substantial amount of work force in the 1 st and 2 nd quarter of the year due to increased competitor activities. This seriously impacted the disbursement. The action to increase the staff strength was taken towards the end of the 3 rd quarter which helped recover the volumes in the 4 th quarter. Stopping three wheeler financing w.e.f 01 st April, 2014 also impacted the volumes.
Loan Assets at the end of the period	690 61	840 55	21.71%	The growth in loan assets was achieved by improved disbursement in the 4 th quarter supported by growth in loan against Demand Promissory Notes (DPN) and portfolio buyouts.



Financial Snapshot	Year To Date (YTD)		% Growth	Reason for variance
	31 st March, 2014 (₹ In Lakhs)	31 st March, 2015 (₹ In Lakhs)		
Total Interest and Fee Income	158 76	191 29	20.49%	While the average loan assets increased by 24%, the increase in interest and fee income was lower on account of NPA, Loans with lower Internal Rate of Return (IRR) etc.
Finance Expenses	60 45	76 77	27.00%	The Finance Expenses include interest cost, bank loan processing cost and brokerage on Fixed Deposits. While the Borrowings increased in line with the loan book, the costs were high in the 1 st and 2 nd quarter and reduced from the end of 3 rd quarter.
Net Interest Income (NII)	98 31	114 52	16.49%	
Operating Expenses (Opex)	59 81	67 25	12.44%	Employee costs increased by 13%. The other operating expenses increased by 11%, on account of higher rental, higher depreciation, CSR expenses etc.
Loan Loss & Provisions	4 92	13 10	166.26%	Loss on sale of repossessed assets was up due to the increase in the number of vehicles repossessed and sold. GNPA was up from ₹ 15.40 crores to ₹ 32.68 crores YoY. This was mainly on account of delinquencies in the three wheeler segment and some geographies. NPA coverage ratio up from 12.22% to 15.75 % due to addl. provision of ₹ 75 lakhs.
Profit Before Tax	33 58	34 17	1.76%	
Profit After Tax	22 21	22 29	0.36%	
Ratios				
Total Opex to NII	60.80%	58.70%		
Loan loss to average Loan Assets	0.86%	1.85%		
Return on average Loan Assets	5.88%	4.83%		
Earnings Per Share	17.80	17.87		

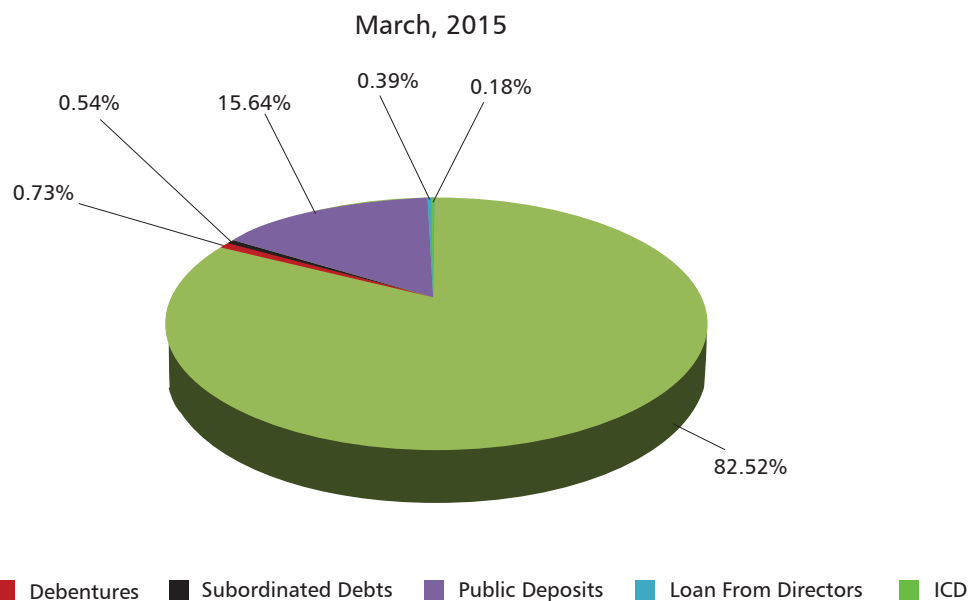
Capital Adequacy Ratio (CAR)

The Company maintained a CAR of 15.97 % (as on 31st March, 2015) of the aggregate risk weighted assets on the Balance Sheet and risk adjusted value of the off Balance Sheet items, which is above the regulatory minimum of 15%. The CAR as on 31st March, 2014 (previous year) stood at 17.32%. Out of the 15.97% only 0.57 % came from Tier II Capital. This gives the Company the option of growth through increasing Tier II Capital, without any dilution of shareholding.



Borrowing profile

Particulars	31 st March, 2014		31 st March, 2015	
	Amount (₹ In Lakhs)	% of Total	Amount (₹ In Lakhs)	% of Total
Bank Loan	488 63	85.5	580 62	82.52
Debentures	13 01	2.3	5 12	0.73
Subordinated Debts	2 58	0.5	3 79	0.54
Public Deposits	58 88	10.3	110 04	15.64
Loan From Directors	8 21	1.4	2 73	0.39
Inter Corporate Deposits (ICD)	-	-	1 30	0.18
Total	571 31	100.0	703 60	100.0

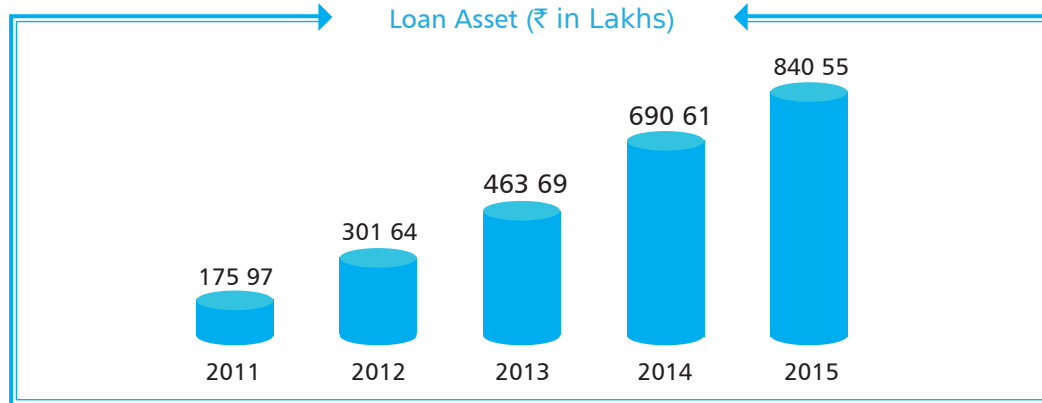


The Company's total external borrowings increased from ₹ 571 31 lakhs as of 31st March, 2014 to ₹ 703 60 lakhs as of 31st March, 2015.

The Company has been focusing on reducing its dependence on bank borrowings and also reducing overall costs of borrowings. The cost of borrowings has been brought down from the last quarter of the financial year 2015. Emphasis is made on getting funds through Commercial Papers, Non Convertible Debentures, Securitization, and Subordinated Debts, which would all work towards widening the borrowing profile, reducing costs and also increasing CAR.

Loan Assets

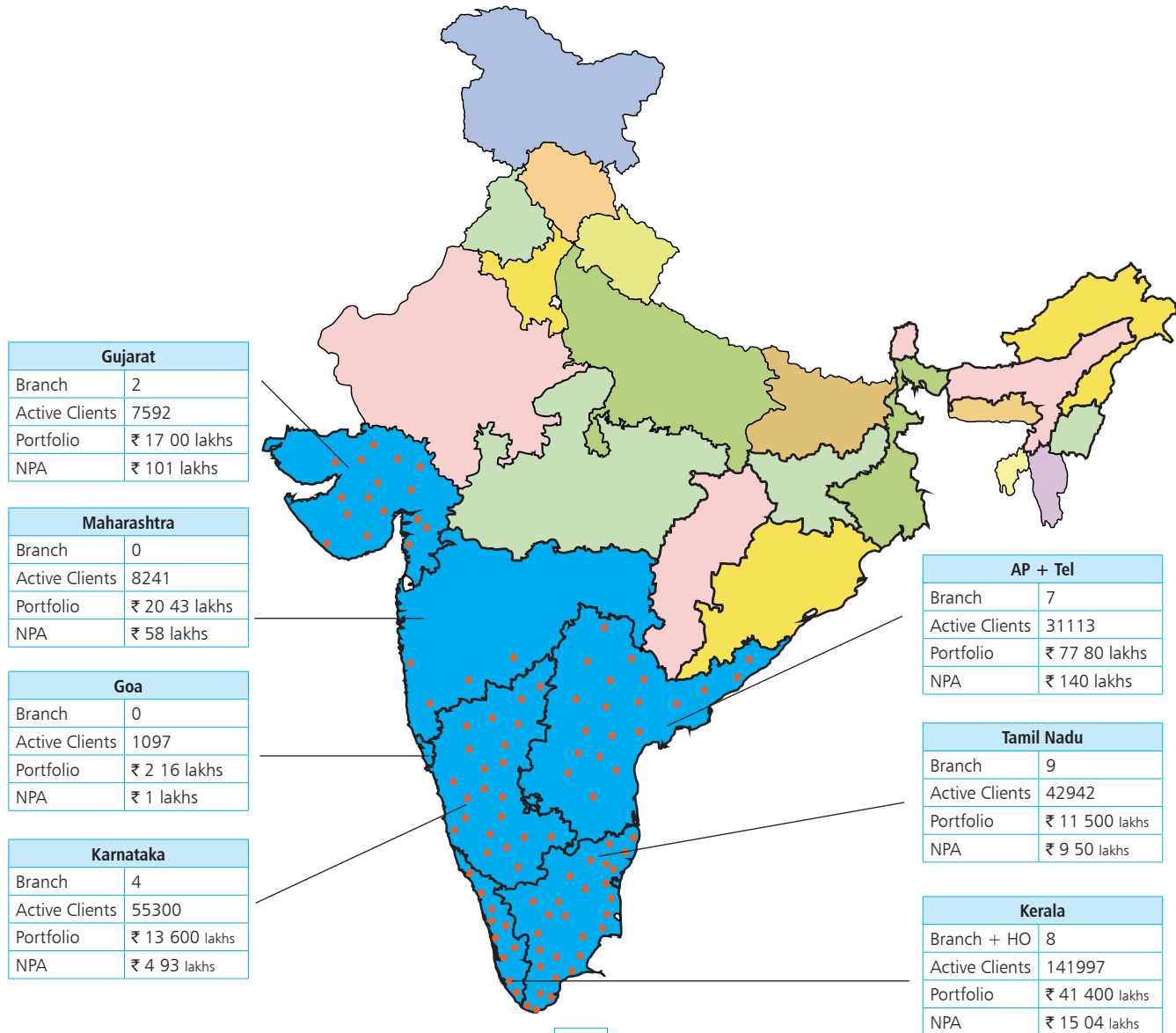
The total loan assets as on 31st March, 2015 stood at ₹ 840 55 lakhs against ₹ 690 61 lakhs as on 31st March, 2014. The growth of loan book over the last five years has been spectacular and is as mentioned below:



The Company plans to continue its growth in the same way in the years to come.

The Company after starting off business in Kerala in two wheeler financing and later in three wheeler financing, spread to the other states with two wheeler financing. Today it has presence in 8 States and is looking at complete penetration in these States along with entering other States.

The presence of the Company is indicated in the diagram below:

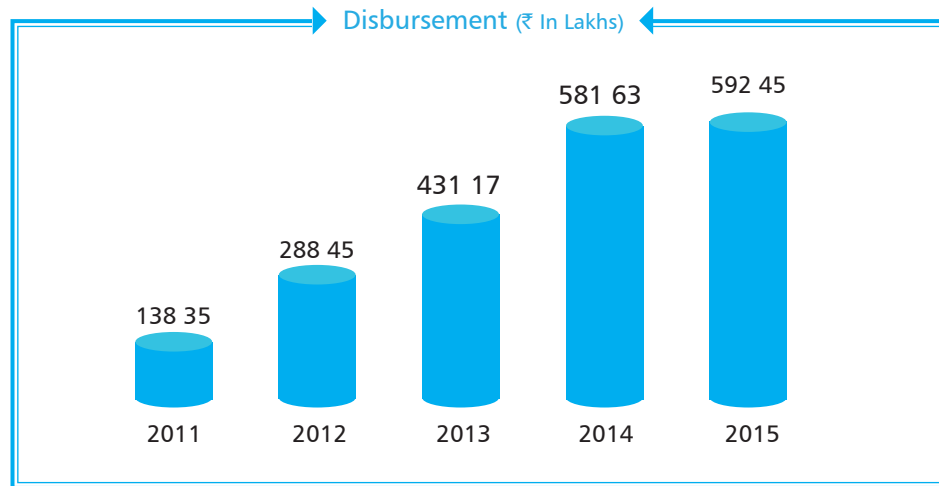




The Company was able to achieve a good growth in its loan portfolio by 21.71% at the end of the year compared to the end of the previous year. The Company realizes its limitations on account of a single product business and is constantly working at engaging customers with variants in the two wheeler finance space.

While two wheeler financing continues to be the Company's core business, the Company is also looking at increasing its loan book and consequently improving profitability by relatively risk free advances for business purposes through loans backed by DPN and also buying out loan portfolio. Also with emphasis on activating more dealer points, the Company expects to increase in its loan assets in the current year.

As of March, 2015, the Company has disbursed close to 5,00,000 loans, the majority of which was in the last 3 years. The disbursements over the last 5 years is given in the diagram below:



Other Business Highlights

Spread Analysis:

With the growing loan portfolio and reduced costs of borrowing, the Company has been able to sustain its Gross and Net Spreads in spite of higher credit costs.

Particulars	March - 2014		March - 2015	
Daily Average Loan Book Size (₹ in Lakhs)	571.19		705.41	
	Amount (₹ in Lakhs)	%	Amount (₹ in Lakhs)	%
Income from Operations	158.76	27.80	191.29	27.10
Direct expenses (incl. Interest, Brokerage, Dealer / MFL Incentive , Field Investigation charges)	68.86	12.10	93.12	13.20
Gross Spread	89.90	15.70	98.17	13.90
Personnel Expenses	34.78	6.10	39.30	5.60
Opex (incl. Depreciation etc...)	16.62	2.90	11.60	1.60
Total Expenses	51.40	9.00	50.90	7.20
Pre Provision Profits	38.50	6.70	47.27	6.70
Loan Loss and provisions	4.92	0.90	13.10	1.90
Net Spread	33.58	5.90	34.17	4.80



While there could be small variances, the Company hopes to maintain its spreads in future also.

Cost & Profitability Analysis

While all costs have gone down as a percentage of revenue on a quarter on quarter basis, it is only on account of the credit cost that the profit margins have been under pressure resulting in reduction in profitability as a percentage of revenue. An analysis of the last five quarters shows the same trend.

Corporate Social Responsibility (CSR)

The concept of Corporate Social Responsibility (CSR) is gaining momentum in the recent times. This is based on the realization that the society is not just a stakeholder in business, but the very reason for its existence and hence one is responsible for its well-being and prosperity. CSR is now being accepted as a means for achieving sustainable development of an organization. Section 135 of the Companies Act, 2013 intends to inculcate the philosophy of CSR among Indian Companies. The Section makes it mandatory that at least 2% of the average net profits of the Company in the three immediately preceding financial years are spent in every financial year on any listed CSR activity/ies. In case of any failure, the Board of Directors have to specify the reason for such failure in its Report.

The CSR activities of Muthoot Pappachan Group to which our Company belongs, is carried out by Muthoot Pappachan Foundation (MPF), a public charitable trust formed in the year 2003.

CSR approach of MPF is known as 'HEEL' wherein the specific themes are: **H**ealth, **E**ducation, **E**nvironment and **L**ivelihood.

Health - MPF is continuously conducting free medical camps at rural locations providing consultation and treatment including free surgeries to persons especially in BPL level. Responding to the blood requirement in the country 'Muthoot Pappachan Life Blood Directory' has been launched, initially in the state of Kerala, to encourage voluntary blood donation and to help in case of blood emergencies. More than 60000 donors have registered voluntarily in the blood directory and a help desk is functional to facilitate patient - donor connectivity.

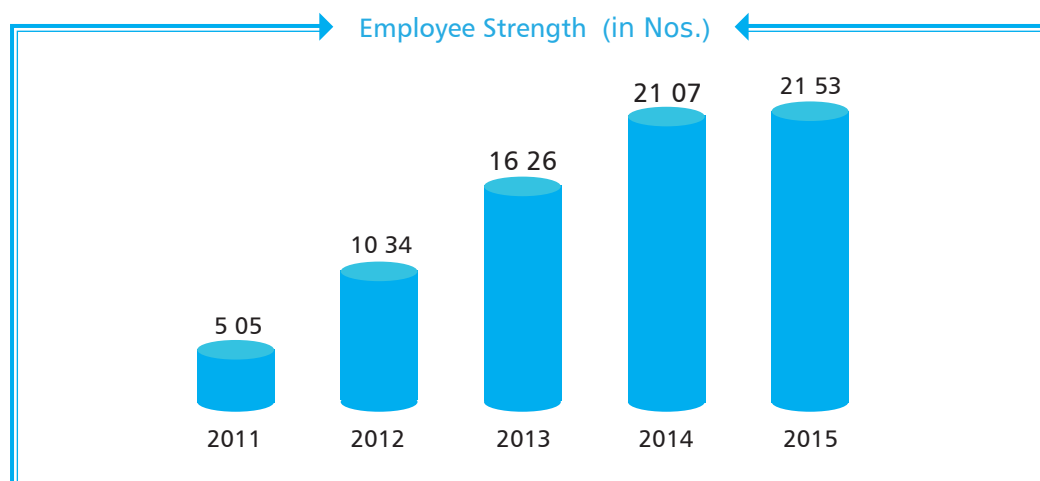
Education - Some of the initiatives in education include supporting students from financially backward families for quality education and providing infrastructural support to schools and training centres.

Environment - Systematic water/energy/waste management and intelligent lighting system have been practiced in the Companies within the Muthoot Pappachan Group. The employees are motivated and oriented towards smart use of paper, power, water and all sorts of resources in the day to day office functioning.

Livelihood - Supports are given to customers and other stakeholders in difficult living conditions for starting livelihood initiatives through local NGOs. This also includes widow pension provided to senior women.

Human Resources

The Company being in the growth trajectory requires more manpower to carry on with its operations. Our Company has always been able to attract and retain good talent. From a total of 505 as on 31st March, 2011, the workforce of the Company has grown to a total strength of 2153 as on 31st March, 2015. The growth in the employee numbers is given in the diagram below:





To maintain competency and to improve the analytical abilities of employees for gearing them to face challenges, proper training and development is imparted by the Company before the employee takes up any responsibility. The Company offers market driven salary structure and attractive incentives to retain talent and help the employees build a career with the Company. Our Company has always valued its employees, whose dedication and contribution have helped us to reach the levels of excellence and has rewarded them commensurate with their contribution.

Cautionary Statement

The statements made in this report describe the Company's objectives and projections that may be forward looking statements within the meaning of applicable laws and regulations. The actual result might differ materially from those expressed or implied depending on the economic conditions, government policies and other incidental factors which are beyond the control of the Company. The Company is not under any obligation to publicly amend, modify or revise any forward looking statements on the basis of any subsequent developments, information or events.

Kochi - 35
25th May, 2015

For Muthoot Capital Services Limited
Sd/-
Thomas John Muthoot
Chairman



REPORT ON CORPORATE GOVERNANCE

The Corporate Governance report is pursuant to Clause 49 of the Listing Agreement and contains the details of Corporate Governance systems and practices at Muthoot Capital Services Limited (MCSL).

I. Company's Philosophy on Code of Corporate Governance

Good Corporate Governance lies in promoting and maintaining integrity, transparency and accountability in the Management's higher echelons. Best Corporate Governance practices and high levels of integrity in decision making are followed by MCSL in dealing with all the stakeholders. The Company believes that its business plans and strategies are consistent with the above objective leading to sustained corporate growth and long term benefits to all.

MCSL acknowledges its responsibilities to its shareholders and endeavours to pursue its policies and procedures to satisfy its legal and ethical responsibilities as a good corporate citizen and believes that all its operations and actions must serve the underlying goals of enhancing overall shareholder value over a sustained period of time.

The Board of Directors of MCSL are pleased to present the Corporate Governance Report for the year ended 31st March, 2015.

II. Board of Directors

a. Composition and category

There are six Directors on the Board all having expertise in financial service sector. As prescribed in the Clause 49 of the Listing Agreement, the Board has an optimum combination of executive and non-executive directors with three Independent Directors. As per Section 149 (1) of the Companies Act, 2013 and Clause 49 (II) (A) (1) of the Listing Agreement, Ms. Radha Unni is appointed to the Board on 28th June, 2014 as Woman Director.

The composition and category of Directors on the Board of the Company for the year 2014 - 2015 were as under:

Category	Name of Directors	Shareholding in the Company as on 31.03.2015
Executive Director	Mr. Thomas George Muthoot, Managing Director	2846555
Non - Executive, Non - Independent Directors	Mr. Thomas John Muthoot, Chairman	2850995
	Mr. Thomas Muthoot	2796931
Non - Executive Independent Directors	Mr. A.P. Kurian	Nil
	Mr. R.K. Nair	Nil
	Ms. Radha Unni	Nil

Mr. Thomas John Muthoot, Chairman, Mr. Thomas George Muthoot, Managing Director and Mr. Thomas Muthoot, Director are brothers. None of the other Directors are related to any other Directors on the Board.

b. Declaration from Independent Directors

As per Section 149 (7) of the Companies Act, 2013 every Independent Director has to give a declaration that he/she meets the criteria of independence under law at the first meeting of the Board in which he/she participated as Director. All Independent Directors of the Company have provided the said declarations which were taken on record by the Board.

c. Appointment, criteria and tenure of Independent Directors

The Company had pursuant to Sections 149, 150 and 152 of the Companies Act, 2013 re-appointed two Independent Directors and appointed one new Independent Director at the last Annual General Meeting (AGM) of the Company held on 3rd September, 2014. At the time of appointment, a formal letter of appointment was issued by the Company to the appointed Directors specifying the terms and conditions of his/her appointment.



The tenure of appointment is five years. The terms and conditions of appointment of Independent Directors are disclosed in the website of the Company.

d. Meeting of Independent Directors

As per Clause 49 (II) (B) (6) of the Listing Agreement the Company's Independent Directors meet at least once in every financial year without the presence of Non-Independent Directors or Members of the Management. Such meetings are conducted informally to discuss matters pertaining to the Company and review of the performance of the Non-Independent Directors. The Independent Directors of the Company met once during the financial year 2014 - 2015 on 31st March, 2015. The meeting has inter-alia reviewed the performance of the Board as a whole, performance of Non-Independent Directors, performance of the Chairman, and assess the quality, quantity, timelines of flow of information from the Management to the Board of Directors.

e. Familiarisation programme for Board Members

As per Clause 49 (II) (B) (7) of the Listing Agreement the Board members are provided with necessary documents/ brochures, reports and internal policies to enable them to familiarise with the Company's procedures and practices. Presentation on the performance of the Company, business strategy, risks involved etc. are presented to the Board and Committees on a quarterly basis. The details of the familiarisation programme is posted on the website of the Company and can be accessed at:

http://www.muthootcap.com/pdf/Familiarisation_Programme.pdf

f. Code of Conduct for Directors and Senior Management

Pursuant to Clause 49 (II) (E) of the Listing Agreement, the Company has in place a Code of Conduct intended to focus the Board and Senior Management on areas of ethical risk, provide guidance to Directors and Senior Management to help them recognize and deal with ethical issues, provide mechanisms to report unethical conduct and helps to foster a culture of honesty and accountability.

The Company also has in place a Code of Conduct for Prevention of Insider Trading for its Designated Persons, in compliance with the Securities and Exchange Board of India [Prohibition of Insider Trading] Regulations, 1992, which was amended in May, 2015 to keep it in line with SEBI (Prohibition of Insider Trading) Regulations, 2015. The Code lays down Guidelines, which advise them on procedures to be followed and disclosures to be made, while dealing with shares of the Company, and cautioning them of the consequences of violations. The code of conduct for Directors and Senior Management personnel is placed in the website of the Company.

g. Board Meetings

Seven Board Meetings were held during the financial year 2014 - 2015 and the time gap between any two meetings was well within the maximum gap of 120 days. All the Board Meetings of the Company were held at the Registered Office of the Company at Kochi.

Number of Meetings	Date of Meetings
7	20.05.2014, 28.06.2014, 04.08.2014, 02.09.2014, 05.11.2014, 10.12.2014 and 30.01.2015



h. Attendance at the Board Meetings held during the year and at the last AGM, and also the number of Directorships and Committee positions held by them are given below:

Name of Directors	Attendance at		Sitting fees paid during the year ended 31.03.2015 (Amount in ₹)	Directorship and Chairmanship/Membership of Board/Committees in other Public Limited Companies as on 31 st March, 2015		
	Last AGM	Board Meeting		Director	Committee Member	Committee Chairman
1. Mr. Thomas John Muthoot	Present	6	Nil	5	5	1
2. Mr. Thomas George Muthoot	Present	7	Nil	4	2	3
3. Mr. Thomas Muthoot	Present	7	Nil	4	3	0
4. Mr. A.P. Kurian	Present	5	78000***	3	4	0
5. Mr. R.K. Nair	Absent	2	30000	2	1	3
6. Ms. Radha Unni*	Present	4	75000***	4	2	1
7. Mr. Philip Thomas**	-	1	3000	-	-	-

* Appointed on 28th June, 2014

** Relinquished his Directorship effective 28th June, 2014.

*** The Sitting fees includes fees paid for separate meeting of independent directors held during the year.

The Independent Directors were paid sitting fee of ₹ 3000/- per Board meeting upto 20th May, 2014 which was increased by the Board to ₹ 15000/- per Board Meeting thereafter.

Note:

1. None of the Directors of MCSL were Members in more than 10 Committees nor acted as Chairperson of more than 5 committees across all Public Limited Companies in which they were Directors.
2. None of the Independent Directors of MCSL held Directorship in more than seven Listed Companies.

III. Audit Committee

a. Composition and Attendance

As on 31st March, 2015, the Audit Committee comprised four Non-Executive Directors of which three are Non-Executive Independent Directors. All the Members of the Committee possess accounting or related financial management expertise. The Audit Committee has met four times during the financial year 2014 - 2015 on 20.05.2014, 04.08.2014, 05.11.2014 and 30.01.2015. The Composition of the Audit Committee and attendance of the Members at Committee meetings are as follows:

Name of the Members		No. of Meetings Attended
Mr. Philip Thomas	Chairman*	1
Mr. A.P Kurian	Chairman**	4
Mr. Thomas Muthoot	Member	4
Mr. R.K. Nair	Member	-
Ms. Radha Unni	Member***	3

* Relinquished his Membership effective 28th June, 2014

** Appointed as Chairman of the committee on 04th August, 2014

*** Appointed as a Member on 04th August, 2014

Mr. Philip Thomas ceased to be a Member of the Audit Committee with effect from 28th June, 2014 and Ms. Radha Unni was inducted into the Audit Committee as Member on 04th August, 2014.



b. Terms of reference

The terms of reference of Audit Committee in accordance with Section 177 (4) of the Companies Act, 2013 and Clause 49 (III) of the Listing Agreement are as under:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information;
2. Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company;
3. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
4. Reviewing with the management the annual financial statements and auditor's report thereon before submission to the Board for approval;
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. 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 the 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;
7. Review and monitor the Auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of Statutory and Internal Auditors, and adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the 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 of any significant findings and follow up there on;
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 the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
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. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Company Secretary of the Company acts as Secretary to the Committee.

IV. Nomination & Remuneration Committee

a. Composition and attendance

The Board had constituted a Remuneration Committee pursuant to the provisions of the Companies Act, 1956, Listing Agreement and in compliance with the Master Circular on Corporate Governance issued by RBI. With the introduction of Companies Act, 2013, and the subsequent amendments in the Listing Agreement, the Board reconstituted and renamed the Remuneration Committee to Nomination & Remuneration Committee on 04th August, 2014.



The Committee met twice during the financial year under review on 20.05.2014 and 30.01.2015. The Composition of the Remuneration Committee/Nomination and Remuneration Committee and attendance of Members during the financial year 2014 - 2015 are as follows:

Name of the Members		No. of Meetings Attended
Mr. Philip Thomas	Chairman*	1
Mr. A.P Kurian	Chairman**	2
Mr. R.K. Nair	Member	-
Ms. Radha Unni	Member	1

* Relinquished his Membership effective 28th June, 2014

** Appointed as Chairman of the Committee on 04th August, 2014

b. Terms of reference

As per Section 178 of the Companies Act, 2013 and amended Clause 49 (IV) of the Listing Agreement Company has reconstituted the Nomination & Remuneration Committee with the following terms of reference:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel (KMP) and other Employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on Board diversity; and
4. Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, and recommend to the Board for their appointment and removal.

c. Criteria for selection of Members on the Board of Directors and candidates for Senior Management.

The Committee has adopted the following criteria for selection of Members on the Board of Directors of the Company and also candidates eligible to be appointed in the Senior Management of the Company.

i) Criteria for Selection of Directors

Before making any recommendation to the Board for appointment of any Director, the Committee shall ensure that:

- a) the candidate possesses managerial/business/administrative qualifications and experience spread over two or more decades in diverse areas particularly finance, banking and general management;
- b) the candidate shall be free from any disqualifications as provided under Sections 164 and 167 of the Companies Act, 2013;
- c) in case of appointment of an Independent Director, the candidate meets the conditions of being independent as stipulated under the Companies Act, 2013 and Listing Agreement entered into with Stock Exchanges;
- d) the candidate possesses appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations, infrastructure, or such other areas or disciplines which are relevant for the Company's business; and
- e) the candidate also complies with the "Fit & Proper" criteria as laid down by the policy of the Company.

ii) Criteria for Selection of Senior Management Personnel

The term Senior Management shall have the same meaning as provided under the explanation to Section 178 of the Companies Act, 2013.

The Committee shall, before making any recommendation to the Board for appointment, should ensure that the candidate has the attributes set forth below:

- a) The candidate should have a minimum experience of 10 years in any of the areas viz. banking, infrastructure, financial management, legal, sales, marketing, administration, research, corporate governance, technical operations, or such other areas or disciplines which in the opinion of the Committee are relevant for the Company's business; and
- b) The candidate should possess qualities that demonstrate leadership skills, decision making skills, effective communication, hard work, commitment and such other attributes which in the opinion of the Committee are in the interest of the Company.



If the Committee, in its opinion finds that the candidate meets the above criteria for appointment (as Director on the Board or in Senior Management position), it shall make its recommendation to the Board. Any amendment to the above criteria for Directors and Senior Management shall be subject to the prior approval of the Committee and any such amendment shall be informed to the Board of Directors.

d. Evaluation of performance of Directors

i) Evaluation of the performance of Managing Director/Whole Time Director

The performance of the Managing Director/Whole Time Director is to be undertaken taking into consideration several aspects such as his ability to lead his team, his vision and commitment, his drive and managerial ability, in addition to the performance of the Company and his specific contribution to the growth and efficient functioning of the Company.

ii) Evaluation of the performance of Non-Executive Directors and Independent Directors (NEDs and IDs)

The Committee while evaluating the performance of the NEDs and IDs shall take into consideration various factors as mentioned below:

- a) Understanding and knowledge of the market in which the Company is operating;
- b) Ability to appreciate the working of the Company and the challenges it faces;
- c) Attendance of meeting;
- d) Extend of participation and involvement in the meetings;
- e) Ability to convey his views and flexibility to work with others;

Marks may be assigned for each of the above criteria and based on the score achieved, the Committee may evaluate the performance of each NED and ID.

For the evaluation of Non-Independent Directors by the Independent Directors as per the requirements of Corporate Governance norms, the Independent Directors may adopt any method of evaluation.

iii) Criteria for Evaluation of the Board

The Committee has laid down the following criteria for performance evaluation of the Board:

- a. Review the performance of Non-Independent Directors and the Board as a whole;
- b. Review the performance of the Chairperson of the Company taking into account the views of Executive Directors and NEDs; and
- c. Assess the quality, quantity and timeliness of flow of information between the Company, Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The performance of the Committees shall be evaluated based on the following:

- a.composition of the Committees;
- b.effectiveness of the Committee meetings with respect to the terms of reference; and
- c.conduct of meetings and procedures followed.

e. Remuneration Policy

The Committee has formulated a policy on remuneration for Directors, KMP and other employees.

The features of the same are as under:

i) Remuneration of Managing Director, Whole Time Director and Manager

The Committee while considering the remuneration of the Managing Director, the Whole Time Director and Manager (wherein there is no Managing Director), shall take into consideration the performance of the Company, the experience of the person, his background, job-profile and suitability, his past remuneration, the comparative remuneration profile in the industry, size of the Company, responsibilities shouldered by the Managing Director/Whole Time Director/Manager etc., provided that any remuneration considered by the Committee shall be in accordance and within the limits stipulated under the Companies Act, 2013.

ii) Remuneration of Non-Executive Director (NED)

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



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

iii) Remuneration of Senior Management Personnel and KMP

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

f. Details of remuneration to Directors

The Independent Directors were paid sitting fee of ₹ 3000/- per Board Meeting upto 20th May, 2014 which was increased by the Board to ₹ 15000/- per Board Meeting thereafter. No pecuniary relationship exist for Independent Directors vis-a vis the Company other than payment of sitting fees for Board during the year. The Independent Directors of the Company also have no pecuniary relationship with the Company, its promoters or Directors during the immediately preceding two financial years.

The salary paid to the Managing Director during the financial year 2014 - 2015 is as follows:

Gross Salary Paid:	₹ 150.00 lakhs
Perquisites paid:	₹ 1.62 lakhs
Employer contribution to Provident Fund:	₹ 9.00 lakhs

V. Stakeholders Relationship Committee

a. Composition and attendance

Pursuant to Section 178 (5) of the Companies Act, 2013 and amended Listing Agreement, the Board renamed the existing Shareholder's/Investor's Grievance Committee to Stakeholders Relationship Committee on 04th August, 2014. Four Meetings were held during the financial year 2014 - 2015 on 20.05.2014, 04.08.2014, 05.11.2014 and 30.01.2015. The Composition, number of meetings and attendance during the financial year 2014 - 2015 are as follows:

Name of the Members		No. of Meetings Attended
Mr. Thomas Muthoot	Chairman	4
Mr. Thomas John Muthoot	Member	4
Mr. Thomas George Muthoot	Member	4

b. Terms of reference

The terms of reference of the Committee shall be as follows:

- 1.To look into redressing shareholders/investors complaints like transfer of shares, non-receipt of Balance Sheets, and non-receipt of declared dividends etc;
- 2.To take on record transfer/transmission of shares and deletion of name; and
- 3.Complaint letters received from Stock Exchanges/SEBI/Department of Company Affairs etc. and the responses there to are to be reviewed by the Committee.

The Company has a designated email id investorgrievance@muthootcap.com and mail@muthootcap.com for handling investor grievances on which investors can lodge their complaints.

Mr. Syam Kumar R., Company Secretary & Head-Governance is the Compliance Officer. He reviews the investor complaints on monthly basis to find out whether complaint has been resolved within time or not. As on 31st March, 2015 all investor grievances are resolved.

The Company had received investor complaints during the year under review as follows:

Complaints received	41
Complaints pending / not solved to the satisfaction of the investors	Nil

Based on the recommendation of the Committee, the Company has put in place an Investor Grievance Redressal Policy.



VI. Corporate Social Responsibility Committee (CSR)

a. Composition

Pursuant to the provisions of Section 135 of the Companies Act, 2013, the Board has constituted a CSR Committee. The CSR Committee has formulated a Corporate Social Responsibility Policy indicating the CSR activities to be undertaken by the Company in accordance with Schedule VII to the Companies Act, 2013.

The CSR Policy of the Company, as approved and adopted by the Board, has been posted on the website of the Company. The said Policy is available under the following web link:

<http://www.muthootcap.com/pdf/csr-policy-final-website.pdf>

The Committee met once during the financial year 2014 - 2015 on 02.09.2014. The Composition and date of meetings during the financial year are as follows:

Name of the Members	
Mr. Thomas Muthoot	Chairman
Mr. R.K Nair	Member
Ms. Radha Unni	Member

b. Terms of reference

1. Formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
2. Recommending to the Board the amount of expenditure to be incurred on the CSR activities referred to in (a) above; and
3. Monitor the CSR Policy of the Company from time to time.

VII. Bank Finance Committee

a. Composition

The Company has a Bank Finance Committee to exercise all powers to borrow moneys (otherwise than by issue of debentures) and taking necessary actions connected therewith. Five Meetings were held during the financial year 2014 - 2015 on 26.09.2014, 08.01.2015, 18.02.2015, 25.02.2015 and 16.03.2015.

The Composition of the Committee during the financial year 2014 - 2015 are as follows:

Name of the Members	
Mr. Thomas George Muthoot	Chairman
Mr. Thomas Muthoot	Member

b. Terms of reference

The terms of reference of the Committee shall be as follows:

1. Review of Company's financial policies, working capital and cash flow management and make such reports and recommendations to the Board with respect thereto as it may deem advisable;
2. Review of banking arrangements and cash management;
3. Giving guarantees/issuing letters of comfort/providing securities;
4. Borrow monies by way of short term/long term loans, cash credit arrangements and/or by way other instruments within the limits approved by the Board;
5. Provide corporate guarantee/performance guarantee within the limits approved by the Board;
6. Opening and closing of accounts with banks;
7. Carry out any other functions as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification as may be applicable;
8. Other transactions or financial issues that the Board may desire to have them reviewed by the Finance Committee; and



9. Regularly review and make recommendations about changes to the Charter of the Committee.

VIII. Share Transfer Committee

a. Composition

The Company has constituted a Share Transfer Committee for considering and approval of transfer/transmission of shares, issue of duplicate/replacement of share certificates. The share transfers are registered and returned within 15 days from the date of receipt, if the documents are valid and complete in all respects. The Company obtains from a Company Secretary in Practice half yearly certificate of compliance with the share transfer formalities as required under Clause 47(c) of the Listing Agreement and file a copy with the Stock Exchange.

The Committee met thrice in a month. The Committee has been reconstituted by the Board on 30th January, 2015, to include the following members:

Name of the Members	
Mr. Thomas George Muthoot	Chairman
Mr. Thomas Muthoot	Member
Mr. R. Manomohanan	Member

IX. Risk Management Committee

a. Composition

The Company has formulated Risk Management Committee in accordance with directions of Reserve Bank of India and Clause 49 of the Listing Agreement. As per the amendments to Clause 49 (VI) (C) of the Listing Agreement, the majority of the Committee shall consist of members from the Board. The Committee met twice during the financial year 2014 - 2015 on 28.06.2014 and 26.02.2015. The Committee has been reconstituted by the Board on 05th November, 2014, to include the following members:

Name of the Members	
Mr. Thomas George Muthoot	Chairman
Mr. Thomas Muthoot	Member
Mr. R.K. Nair	Member
Mr. R. Manomohanan	Member
Mr. Vinodkumar M. Panicker	Member

b. Terms of reference

The terms of reference of the Committee shall be as follows:

1. Oversee the development, implementation and maintenance of the Company's overall risk management framework and its appetite, strategy, principles and policies, to ensure they are in line with emerging regulatory, corporate governance and industry best practice;
2. Oversee the Company's risk exposures, risk/return and proposed improvements to the Group's risk management framework and its risk appetite, strategy, principles, policies and standards;
3. Provide formal sign-off for the board risk report and other risk related sections within the Annual Reports & Accounts;
4. Facilitate effective contribution and involvement of non-executives and aid their understanding of risk issues and the Company's risk management framework;
5. Provide input to the Remuneration Committee on the alignment of remuneration to risk performance;
6. Review new risk principles and policy and material amendments to risk principles and policy recommended by the Chief Executive and Chief Risk Officer ('CRO'), for approval by the Board;
7. Oversee adherence to Company's risk principles, policies and standards and any action taken resulting from material policy breaches, based upon reports from the Chief Executive and the CRO;



8. (i) Review the appointment, resignation or dismissal of the CRO and make appropriate recommendation to the Board;
- (ii) Review and discuss with the CRO the scope of work of the Company's risk division, its plans, the issues identified as a result of its work, how management is addressing these issues and the effectiveness of systems of risk management;
- iii) Review the adequacy of the Company's Risk Division's resources, and its authority and standing within the company; and
- (iv) Review co-ordination between the Company's Risk Division and the external auditors.
9. Periodically review and update its own terms of reference to reflect best practice, requesting Board approval for all proposed changes and, at appropriate intervals, evaluate its own performance against the terms of reference; and
10. Review periodically the report of Asset Liability Management Committee (ALCO) and to suggest on improvements, actions to be taken.

X. Asset Liability Management Committee (ALCO)

a. Composition

Asset Liability Management Committee (ALCO) was formed in accordance with Directions of the Reserve Bank of India on 08th August, 2013 and further reconstituted on 29th January, 2014 and 28th June, 2014 due to change in personnel, to review the asset liability mismatches and to report to the Board with respect thereto. Four Meetings were held during the financial year 2014 - 2015 on 12.04.2014, 16.07.2014, 02.12.2014 and 26.02.2015.

The Composition of the Committee are as follows:.

Name of the Members	
Mr. R. Manomohanan	Chairman
Mr. Balakrishnan R.	Member
Mr. Vinodkumar M. Panicker	Member
Mr. Syam Kumar R.	Member
Mr. Vijayan T.	Member
Ms. Febin Meera Zachariah	Member

b. Terms of reference

The terms of reference of the Committee shall be as follows:

1. Monitor and review the asset liability matches and mismatches (budgeted vs actual) and make such reports and recommendations to the Board with respect thereto as the Committee may deem advisable;
2. review the periodical returns submitted to RBI every year;
3. review the credit facilities sanctioned considering the overall risks faced by the Company, and to suggest the actions to be taken;
4. Monitor and review the cost of funds and the net interest margin;
5. Carry out any other functions as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification as may be applicable;
6. Other transactions or issues that the Board may desire to have them reviewed by the ALCO; and
7. Regularly review and make recommendations about changes to the Charter of the Committee.

XI. Whistle Blower Policy / Vigil Mechanism for Directors and employees.

The Company promotes ethical behavior in all its business activities and has a mechanism for reporting unethical behavior, actual or suspected frauds or violation of the Company's Code of Conduct or ethics policy. Pursuant to Section 177 (9) & 177 (10) of the Companies Act, 2013 and as per Clause 49 (II) (F) of the Listing Agreement, the Company has a Whistle Blower Policy/Vigil Mechanism in place.



The mechanism should also provide for adequate safeguards against victimization of Director(s)/Employee(s) who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases.

The said policy is available in the website of the Company which can be accessed under the following web link:

http://www.muthootcap.com/pdf/MCSL_Whistle_Blowing_GuidelinesV1.pdf

XII. General Body Meetings

Details of the General Meetings held during the last three years are as follows:

Financial Year ended	Date	Time	Venue
31.03.2014	03.09.2014	10:00 A.M	The International Hotel, Kochi
31.03.2013	08.08.2013	10:00 A.M	The International Hotel, Kochi
31.03.2012	31.07.2012	10:00 A.M	The International Hotel, Kochi

Special Resolutions Passed At The Last Three AGM's:

a. 20th AGM held on 03rd September, 2014:

- Appointment of three Independent Directors, pursuant to Section 149, 150 and 152 of the Companies Act, 2013.
- Regularisation of the borrowing powers of the Board, pursuant to Section 180 (1) (c) of the Companies Act, 2013.
- Approval of Related Part Transactions under Section 188 of the Companies Act, 2013.

b. 19th AGM held on 08th August, 2013: NIL

c. 18th AGM held on 31st July, 2012: NIL

XIII. CEO/CFO Certification

Pursuant to Clause 49 (IX) of the Listing Agreement, Mr. R. Manomohanan, Chief Executive Officer and Mr. Vinodkumar M. Panicker, Chief Finance Officer have provided CEO/CFO Certificate to the Board as follows:

We hereby certify that for the financial year ending 31st March, 2015 on the basis of the review of the financial statements and the cash flow statement and to the best of our knowledge and belief that:

- These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- 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;
- There are, to the best of their knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct;
- 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 they have taken or propose to take to rectify these deficiencies; and
- We further certify that :
 - There have been no significant changes in internal control over financial reporting during the year;
 - There have been no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - No significant instances of fraud detected during the year ending 31st March, 2015 except the frauds reported in Note No.14 of Notes to Accounts.

Kochi - 35
21st May, 2015

Sd/-
Vinodkumar M. Panicker
Chief Finance Officer

Sd/-
R. Manomohanan
Chief Executive Officer



XIV. Quarterly Compliance Report

A comprehensive report on the status of compliance with all the applicable corporate laws by the Company is placed before the Board on a quarterly basis for their information and review.

XV. Disclosures

- ▶ There were no materially significant Related Party Transactions having potential conflict with the interests of the Company at large.
- ▶ Company has complied with the applicable provisions of Companies Act, RBI Act, 1934, Listing Agreement and /or SEBI Regulations.
- ▶ All the mandatory requirements specified under Clause 49 of the Listing Agreement have been complied with.
- ▶ The Company has followed the Accounting Standards laid down by the Companies (Accounting Standards) Rules, 2006 (as amended) in preparation of the financial statements.

XVI. Means of Communication

- ▶ Quarterly unaudited and annual audited financial results of the Company were published in "Business Standard" (English) and "Mangalam" (Malayalam)
- ▶ The results were also displayed on the Company's website at www.muthootcap.com

XVII. Redressal of investor grievances through SEBI Complaints Redressal System (SCORES) platform

SCORES is a web based centralized grievance redressal system of SEBI (<http://scores.gov.in>). SCORES enables investors to lodge and follow up their complaints and track the status of redressal of such complaints online from the above website from anywhere. This enables the market intermediaries and listed companies to receive the complaints online from investors, redress such complaints and report redressal online.

All the activities starting from lodging of a complaint till its closure by SEBI would be online in an automated environment and the complainant can view the status of his complaint online. An investor, who is not familiar with SCORES or does not have access to SCORES, can lodge complaints in physical form at any of the offices of SEBI. Such complaints would be scanned and also uploaded in SCORES for processing.

XVIII. Unclaimed Dividends

The Company had during the financial year 2014 - 2015 transferred an amount of ₹ 1 81 881/- to Investor Education and Protection Fund (IEPF), being unclaimed dividend for the year 2006 - 2007. Under the law, no claim for uncashed dividends can lie against either the Company or the IEPF after a period of seven years from the date of transfer to unclaimed dividend account. Therefore, shareholders who have not yet encashed their dividend warrants relating to the financial year 2007 – 2008 and subsequent years are requested to contact the Company/Registrar and Share Transfer Agents.

XIX. Compliance Certificates

All members of the Board and Senior Management personnel have affirmed compliance with the Code of Conduct. A declaration to this effect by the Managing Director is part to this report.

Compliance Certificate from the Auditors of the Company, M/s K. Venkatachalam Aiyer & Co., confirming compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement, is also annexed to this report.



XX. General Shareholder Information

Annual General Meeting

Date	Time	Venue
Friday, 21 st August, 2015	10:00 A.M	The International Hotel, Kochi

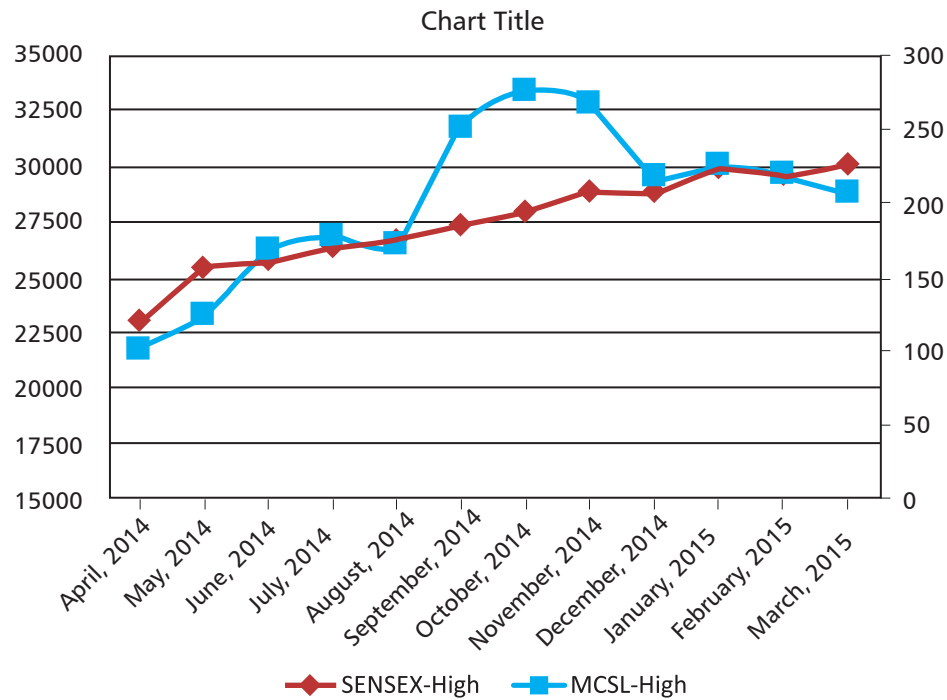
- ▶ Registration details: The Company is registered within the state of Kerala, The Company being a Non-Banking Financial Company (NBFC), is also registered with Reserve Bank of India (Certificate of Registration Number.16.0024). Corporate Identity Number (CIN) allotted to the Company by Ministry of Corporate Affairs is L67120KL1994PLC007726.
- ▶ In 1998, the Company obtained category A - deposit accepting NBFC license from RBI.
- ▶ Financial Year: 1st April to 31st March.
- ▶ Book Closure dates: 15th August, 2015 to 21st August, 2015, (both days inclusive).
- ▶ Date of payment of dividend: On or before 18th September, 2015
- ▶ The Company's shares are listed on Bombay Stock Exchange in 1995. The Company has paid annual listing fees (as applicable) to Bombay Stock Exchange upto the year 2015 - 2016.
- ▶ BSE Scrip ID and CODE:
Scrip ID: MUTHFN
Scrip Code: 511766
- ▶ Reconciliation of share capital audit: The Company has received certificate from a Company Secretary in Practice for timely dematerialization of the Company's shares and for reconciliation of the total equity capital with both the depositories and in physical mode with the total paid up capital as per books.
- ▶ Dematerialisation of shares: The Company has arrangements with both National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to establish electronic connectivity of our shares for scripless trading. 96.20 % of shares of the Company were held in dematerialized form as on 31st March, 2015. Dematerialisation requests have been confirmed within 15 days from the date of request.

Market price data on the Bombay Stock Exchange

Month	High	Low
April - 2014	102	91.15
May - 2014	125	96.25
June - 2014	169	118
July - 2014	178	151.1
August - 2014	172.9	144.1
September - 2014	251	146.25
October - 2014	275.7	204
November - 2014	266.9	185
December - 2014	218	187
January - 2015	225	201.25
February - 2015	220	170.2
March - 2015	207	176



Share Price Performance in comparison with BSE Sensex

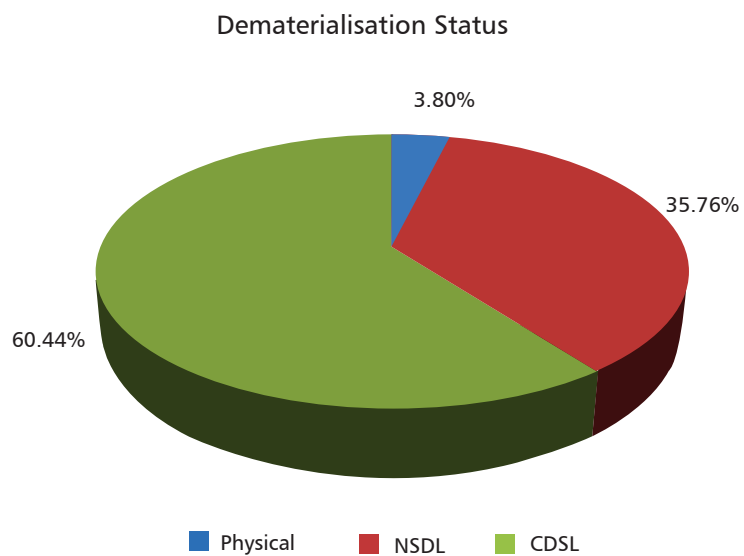


Distribution of Shareholding as on 31.03.2015

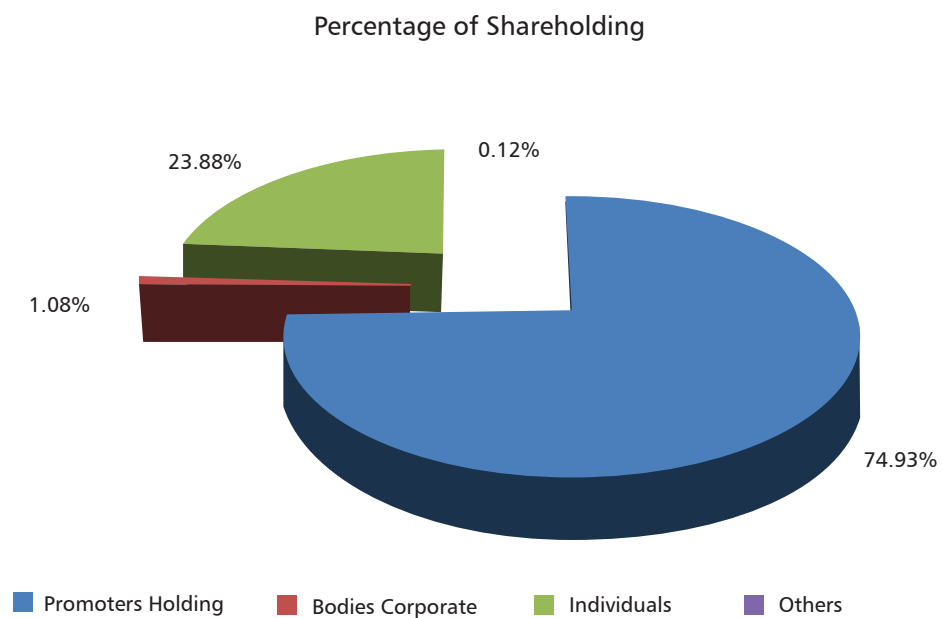
Sl. No.	Category	Holders	% Holders	Shares	% Shares
1.	Upto 100	4805	68.37	358325	2.87
2.	101 - 500	1617	23.01	417558	3.35
3.	501 - 600	69	0.98	40337	0.32
4.	601 - 700	42	0.60	28178	0.23
5.	701 - 800	38	0.54	29485	0.24
6.	801 - 900	33	0.47	28877	0.23
7.	901 - 1000	90	1.28	88207	0.71
8.	1001 - 2000	147	2.09	221344	1.77
9.	2001 - 5000	97	1.38	327490	2.63
10.	5001 - 10000	44	0.63	318091	2.55
11.	10001 - 20000	20	0.28	316979	2.54
12.	20001 - 30000	5	0.07	141547	1.13
13.	30001 - 40000	2	0.03	79434	0.64
14.	40001 - 50000	4	0.06	186253	1.49
15.	50001 - 100000	8	0.11	528793	4.24
16.	Above 100000	7	0.10	9361677	75.06
	Total	7028	100.00	12472575	100.00



Dematerialization Status as on 31.03.2015



Percentage of shareholding as on 31.03.2015



**For your queries/grievances/complaints, please contact:**

The investors may write to the Company at investorgrievance@muthootcap.com or mail@muthootcap.com for any queries/grievances/communications.

For any assistance regarding dematerialization of shares, share transfer, transmission, change of address, non-receipt of dividend or any other query relating to shares, the investors may contact:

a) Integrated Enterprises (India) Limited,

2nd Floor, Kences Towers, 1st Floor, No. 1 Ramakrishna Street,
Off. North Usman Road, T. Nagar, Chennai - 600 017
Ph: 044 - 28140801 - 803
Fax: 044 - 28142479
Email: corpserv@integratedindia.in

b) Mr. Syam Kumar R.

Company Secretary & Compliance Officer,
Muthoot Capital Services Limited,
3rd Floor, Muthoot Towers, M.G. Road, Kochi - 682 035,
Ph: 0484 - 6619600 / 6613450
Fax: 0484 - 2381261
Email: syam.kumar@muthootcap.com

For queries on financial statements, contact:

Mr. Vinodkumar M. Panicker,

Chief Finance Officer,
Muthoot Capital Services Ltd, 3rd Floor, Muthoot Towers,
M.G. Road, Kochi - 682 035
Ph: 0484 - 6619600 / 6613450
Fax: 0484 - 2381261
Email: vinod.panicker@muthootcap.com

Declaration regarding compliance by Board members and Senior Management Personnel with the Company's Code of Conduct

To,

The Members of Muthoot Capital Services Limited

I confirm that the Company has received from the Senior Management team of the Company and the members of the Board, declarations of compliance with the Code of Conduct as applicable to them during the financial year ended 31st March, 2015.

Kochi – 35
25th May, 2015

Sd/-
Thomas George Muthoot
Managing Director



AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

TO

THE MEMBERS OF MUTHOOT CAPITAL SERVICES LIMITED

We have examined the compliance of the conditions of Corporate Governance by **MUTHOOT CAPITAL SERVICES LIMITED** ('the Company') for the year ended on 31st March, 2015 as stipulated in Clause 49 of the Listing Agreement entered into by the Company with the stock exchange.

The compliance of the conditions of corporate governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the company for ensuring the compliance with the conditions of 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, and based on the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We 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 K. VENKATACHALAM AIYER & Co.

Chartered Accountants

Firm Regn No: 004610S

CA A. GOPALAKRISHNAN

Partner

Membership No.18159

Place: Kochi

Date: 25th May, 2015



INDEPENDENT AUDITOR'S REPORT

TO

THE MEMBERS OF MUTHOOT CAPITAL SERVICES LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of MUTHOOT CAPITAL SERVICES LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing 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 misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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



Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 :

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the 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, 2015 (the 'Order') issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, and based on the information and explanations given to us, we give in the Annexure, a statement on the matters specified in paragraph 3 of the said Order.

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

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

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

(d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the other matters to be included in the 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 financial statements – Refer Note No. 12 to the financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. During the year, there has been no delay in transferring the amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For K.VENKATACHALAM AIYER & Co.

Chartered Accountants

Firm Regn No: 004610S

CA A. GOPALAKRISHNAN

Partner

Membership No. 18159

Place: Kochi

Date: 25th May, 2015



ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

Annexure referred to in our report to the members of Muthoot Capital Services Limited on the Financial Statements for the year ended March 31, 2015.

We report that:

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

(b) The fixed assets have been physically verified by the Management during the year, which in our opinion is reasonable having regard to the size of the Company and the nature of the fixed assets. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of accounts.

2. (i) Except for the repossessed assets from borrowers and gold in hand not sold in auction, the Company does not have any stock of inventory. These Inventories have been physically verified during the year by the Management. In our opinion, the frequency of verification is reasonable.

(ii) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.

(iii) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.

3. The Company has not given any loan to Companies, firms and other parties covered in the Register maintained under section 189 of the Companies Act, 2013. Accordingly, requirements of reporting under Paragraphs (iii) (a) and (iii) (b) of the Order are not applicable.

4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures, commensurate with the size of the Company and the nature of its business with regard to the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.

5. In our opinion and according to the information and explanations given to us, the Company has accepted deposits, and has complied with the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 and any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder, as applicable or any order passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.

6. The central government has not prescribed the maintenance of cost records under section 148(1) of the Companies Act, 2013 for the services rendered by the company.

7. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted or accrued in the books of account in respect of undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employee's state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.



(b) According to the information and explanations given to us, there are no material dues of income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess which have not been deposited as on 31st March, 2015 on account of any dispute except the following.

(₹ in '000)

Name of the Statute	Nature of Dues	Forum where dispute is pending	Period to which the amount relates- Financial Year	Amount involved
Income Tax Act, 1961	Income Tax and Interest	The Commissioner of Income Tax, (Appeals)	2001-02	14 45
Income Tax Act, 1961	Income Tax and Interest	The Commissioner of Income Tax, (Appeals)	2002-03	9 13
Total				23 58

(c) Based on our examination of the records and the information and explanations given to us the Company has transferred an amount of ₹ 1 81 thousand lying in the unpaid dividend account to Investor Education and Protection Fund for the period 2006-07 within the time in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules framed thereunder.

8. The Company does not have any accumulated losses at the end of the financial year and it has not incurred cash losses in this financial year or in the immediately preceding financial year.

9. Based on our audit procedures and according to the information and explanations given to us and on the basis of the books of accounts and other records examined by us, the Company has not defaulted in the repayment of any dues to financial institutions, banks or debenture holders.

Even though there are unclaimed amounts of debentures amounting to ₹15 19 thousand outstanding as on 31.03.2015, the Management has confirmed that they could not pay the same since the claims were not received from the debenture holders.

10. In our opinion and according to the information and explanations given to us, the company has not given any guarantee during the year for loans taken by others from banks or other financial institutions.

11. According to the information and explanations given to us and on the basis of the verification of the books of account of the company, in our opinion, the company has applied the term loans for the purpose for which the loans were obtained.

12. We have been informed that during the audit period there have been certain instances of fraud on the Company by employees, where hypothecation loans related misappropriations or cash embezzlements have occurred for amounts aggregating to ₹ 3 79 thousand of which the Company has recovered ₹ 3 33 thousand. The Company is in the process of recovering these amounts from the employees and taking legal actions where applicable.

For K.VENKATACHALAM AIYER & Co.

Chartered Accountants

Firm Regn No: 004610S

CA A. GOPALAKRISHNAN

Partner

Membership No. 18159

Place: Kochi

Date: 25th May, 2015



BALANCE SHEET AS AT 31ST MARCH, 2015

(₹ in '000)

	Note	As at	
		31-Mar-15	31-Mar-14
EQUITY AND LIABILITIES			
Shareholder's Funds			
Share Capital	2.1	12 47 26	12 47 26
Reserves and Surplus	2.2	120 82 38	106 07 38
		133 29 64	118 54 64
Non-Current Liabilities			
Long-Term Borrowings	2.3	12 70 27	4 05 32
Other Long-Term Liabilities	2.4	80 39	68 36
		13 50 66	4 73 68
Current Liabilities			
Short-Term Borrowings	2.5	584 65 01	496 84 42
Other Current Liabilities	2.6	124 75 79	84 06 17
Short-Term Provisions	2.7	15 23 17	10 69 74
		724 63 97	591 60 33
TOTAL EQUITY AND LIABILITIES		871 44 27	714 88 65
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	2.8	2 04 39	2 83 55
Non-Current Investments	2.9	13 25 13	6 85 14
Deferred Tax Assets (Net)	2.10	2 70 23	1 32 37
Long-Term Receivables from Financing Activities	2.11	39 23	1 40 60
Long-Term Loans and Advances	2.12	16 75	9 97
Other Non-Current Assets	2.13	67 57	-
		19 23 30	12 51 63
Current Assets			
Current Investments	2.14	28 52	22 09
Cash and Cash Equivalents	2.15	6 57 71	8 23 92
Receivables from Financing Activities	2.16	840 15 98	689 20 83
Short-Term Loans and Advances	2.17	2 13 82	2 27 02
Other Current Assets	2.18	3 04 94	2 43 16
		852 20 97	702 37 02
TOTAL ASSETS		871 44 27	714 88 65
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	1 to 17		

Note: The notes referred to above form an integral part of the Balance Sheet.

As per our report of even date attached

For K.VENKATACHALAM AIYER & CO.

CHARTERED ACCOUNTANTS

Firm Regn No: 004610 S

**For and on behalf of the Board of Directors of
MUTHOOT CAPITAL SERVICES LIMITED**

CA A. GOPALAKRISHNAN

PARTNER

Membership Number: 18159

THOMAS JOHN MUTHOOT

CHAIRMAN

THOMAS GEORGE MUTHOOT

MANAGING DIRECTOR

THOMAS MUTHOOT

DIRECTOR

Place - Kochi

Date - 25th May, 2015

VINODKUMAR M. PANICKER

CHIEF FINANCE OFFICER

SYAM KUMAR R.

COMPANY SECRETARY & HEAD-GOVERNANCE



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

(₹ in '000)

	Note	Year ended	
		31-Mar-15	31-Mar-14
Revenue			
Revenue From Operations	2.19	190 48 44	158 58 70
Other Income	2.20	80 20	17 12
Total Revenue (I)		191 28 64	158 75 82
Expenses			
Employee Benefits	2.21	39 29 46	34 78 25
Finance Costs	2.22	76 77 08	60 44 65
Depreciation	2.8	1 38 97	78 94
Administrative and Other Expenses	2.23	36 07 71	26 46 68
Provisions	2.24	3 58 86	2 69 03
Total Expenses (II)		157 12 08	125 17 55
Profit Before Tax (I-II)		34 16 56	33 58 27
Tax Expenses			
Current Tax		13 23 00	11 78 00
Deferred Tax		(1 36 02)	(32 56)
Income Tax Adjustment for Earlier Years		43	(7 73)
Total Tax Expenses		11 87 41	11 37 71
Profit After Tax		22 29 15	22 20 56
Earning per equity share of ₹ 10 each: Basic and Diluted (in ₹)	11	17.87	17.80
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	1 to 17		

Note: The notes referred to above form an integral part of the Statement of Profit and Loss.

As per our report of even date attached

For K.VENKATACHALAM AIYER & CO.

CHARTERED ACCOUNTANTS

Firm Regn No: 004610 S

**For and on behalf of the Board of Directors of
MUTHOOT CAPITAL SERVICES LIMITED**

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Date - 25th May, 2015

VINODKUMAR M. PANICKER

CHIEF FINANCE OFFICER

SYAM KUMAR R.

COMPANY SECRETARY & HEAD-GOVERNANCE



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

(₹ in '000)

	Year ended	
	31-Mar-15	31-Mar-14
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	34 16 56	33 58 27
Adjustments for:		
Depreciation	1 38 97	78 94
Provision against Non-Performing Assets	3 24 75	1 23 89
Provisions against Standard Assets	34 11	55 89
Provision against Repossessed Assets	-	69 56
Other Provisions	-	19 69
Excess Provision Written Back	(40 40)	(3 93)
Loss (Profit) from Capital Market Operations	(7 94)	3
Loss (Profit) on sale of Assets	(16)	(4)
Dividend Income	(65)	(62)
	4 48 68	3 43 41
Operating Profit before Working Capital Changes:	38 65 24	37 01 68
Net (Increase) Decrease in Operating Assets:		
Short-Term Loans and Advances	(8 14)	(1 35 27)
Long-Term Loans and Advances	(6 78)	27 97
Receivables from Financing Activities	(149 93 78)	(226 92 40)
Bank Deposits		
(having maturity date of more than 3 months)	(3 40 00)	(52 00)
Other Non-Current Assets	(67 57)	-
Other Current Assets	(1 90)	3 52 48
	(154 18 17)	(224 99 22)
Net Increase (Decrease) in Operating Liabilities:		
Long-Term Liabilities	-	6
Other Current Liabilities	1 25 92	20 24
Short-Term Provisions	(59 78)	5 22
	66 14	25 52
Net changes in Working Capital	(153 52 03)	(224 73 70)
Cash generated from Operations	(114 86 79)	(187 72 02)
Direct Taxes paid	(12 85 87)	(11 70 50)
Net Cash (used in) Operating Activities	(127 72 66)	(199 42 52)



	Year ended	
	31-Mar-15	31-Mar-14
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets including capital advance	(65 90)	(1 15 41)
Sale of Fixed Assets	85	51
Investments in Shares and Mutual Funds	(6 43)	(1 77)
Non-Current Investments	(6 55 69)	(7 02 50)
(Loss) Profit from Capital Market Operations	7 94	(3)
Dividend Income	65	62
Net Cash (used in) Investing Activities	(7 18 58)	(8 18 58)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Net increase (decrease) in Secured Debentures	(8 05 51)	(7 06 63)
Net increase (decrease) in Subordinated Debts	1 44 93	2 83 85
Net increase (decrease) in Public Deposits	53 70 99	59 86 19
Net increase (decrease) in Inter Corporate Deposits	1 30 07	-
Net increase (decrease) in Secured and Unsecured Borrowings	87 97 01	164 57 03
Dividend paid (including Corporate Dividend Tax)	(6 52 46)	(5 79 78)
Net Cash generated from Financing Activities	129 85 03	214 40 66
Net Increase (Decrease) in Cash and Cash equivalents (A+B+C)	(5 06 21)	6 79 56
Opening Balance of Cash and Cash Equivalents	7 71 92	92 36
Closing Balance of Cash and Cash Equivalents	2 65 71	7 71 92
COMPONENTS OF CASH AND CASH EQUIVALENTS		
Cash on Hand	24	3 30
With Banks		
- Current Accounts	2 29 21	7 36 56
- Unpaid Dividend Accounts	36 26	32 06
* Total Cash and Cash Equivalents	2 65 71	7 71 92

* Cash and Cash equivalents do not include Bank deposits having maturity of more than 3 months amounting to ₹ 3 92 00 thousand (March 31, 2014 ₹ 52 00 thousand).

Note: Previous year's figures have been regrouped/ reclassified wherever necessary to conform to current year's classification.

As per our report of even date attached

For K.VENKATACHALAM AIYER & CO.

CHARTERED ACCOUNTANTS

Firm Regn No: 004610 S

**For and on behalf of the Board of Directors of
MUTHOOT CAPITAL SERVICES LIMITED**

CA A. GOPALAKRISHNAN

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THOMAS JOHN MUTHOOT

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MANAGING DIRECTOR

THOMAS MUTHOOT

DIRECTOR

Place - Kochi

Date - 25th May, 2015

VINODKUMAR M. PANICKER

CHIEF FINANCE OFFICER

SYAM KUMAR R.

COMPANY SECRETARY & HEAD-GOVERNANCE



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

CORPORATE INFORMATION

Muthoot Capital Services Limited (the Company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Muthoot Capital Services Limited was incorporated on February 18, 1994 as a public limited company. Its shares are listed on the Bombay Stock Exchange. The Company is registered as an A-category Deposit taking Non-Banking Financial Company (NBFC) with Reserve Bank of India. During the year the Company was mainly engaged in financing for purchase of automobiles, namely two wheelers against hypothecation of the respective vehicles and granting of personal/business loans against demand promissory notes. The Company also engaged itself in buying loan portfolios from other NBFCs financing the two wheelers /micro finance segment. The Company has a reasonably good presence in the non-banking financial sector in rural and semi-urban areas.

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis for preparation of financial statements

- i. The financial statements for the year ended 31st March, 2015, have been prepared under historical cost convention and on the accrual basis of accounting in accordance with Indian Generally Accepted Accounting Principles ("GAAP") and in compliance with the provisions of the Companies Act, 2013, mandatory and relevant Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI) and the directions issued by Reserve Bank of India for Non-Banking Financial Companies from time to time, wherever applicable.
- ii. All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III of the Companies Act, 2013. Based on the nature of financial services provided and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 36 months for the purpose of classification of its assets and liabilities into current and non-current as per the requirements of Schedule III of the Companies Act, 2013.
- iii. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

1.2 Use of Estimates

The preparation of the financial statements requires the use of estimates and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amounts of revenues and expenses during the period and disclosure of contingent liabilities as at that date. The estimates and assumptions used in these financial statements are based upon the management's evaluation of the relevant facts and circumstances as on the date of financial statements. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revisions to the accounting estimates are recognized prospectively in the current and future years.

1.3 Revenue recognition

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:

● Income from Financial Services

- ▶ Finance charges in respect of hypothecation loan transactions are accounted by applying the Internal Rate of Return method. Overdue charges on belated hypothecation loan instalments are accounted as and when received by the Company.
- ▶ Interest on loans and advances, including Loan Buyout, is recognized on accrual basis at the contract rate wherever feasible. Overdue charges for delayed payments are accounted as and when received.
- ▶ Income in respect of Non-performing assets is recognized as and when received as per the guidelines given in



the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 2007.

▶ Interest income on SLR Investment/ Deposits is recognized on accrual basis.

● Windmill Income

Income from power generation is recognized on supply of power to the grid as per the terms of the agreement with Muthoot Bankers.

● Dividend Income

Dividend on investments is recognized as income, when right to receive payment is established by the date of Balance Sheet. The profit/loss on Capital Market Operations is recognized at the time of actual sale/redemption of investments.

1.4 Receivables from Financing Activities

The Company has followed the Directions issued by the Reserve Bank of India for Non-Banking Financial Companies in respect of Prudential Norms for Income Recognition, Asset Classification, Accounting Standards, Provisioning / Writing off for bad and doubtful debts, Capital Adequacy and Concentration of credit / investments and also the Non-Banking Financial Companies acceptance of Public Deposits (Reserve Bank) Directions 2007.

Hypothecation Loans

- i. Hypothecation loans are stated at the amounts advanced including finance charges accrued and due, as reduced by amounts received up to Balance Sheet date.
- ii. Repossessed automobile assets are valued at lower of book value and estimated realizable value.
- iii. Interest on hypothecation loans was recognized on accrual basis up to the current reporting date.

1.5 Tangible Fixed Assets

Fixed Assets are stated at historical cost, net of accumulated depreciation and accumulated 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. Any trade discount and rebate are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value, only if it increases the future benefit of the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit & Loss for the period during which such expenses are incurred.

Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit & Loss when the asset is de-recognized.

1.6 Depreciation on Tangible Fixed Assets

Depreciation on assets held for own use of the Company is provided on written down value method as per the useful years of life of the assets and in the manner prescribed under Schedule II of the Companies Act, 2013.



The company has adopted the following as the useful years of life to provide depreciation on its fixed assets.

Sl No	Description of the Assets	Useful Years of Life
1	Motor Vehicles	
	(i) Car	8
	(ii) Cycles, Scooters	10
2	Furniture and Fittings	10
3	Office Equipments	5
4	Computer and Accessories	
	(i) Computers	3
	(ii) Networks & Servers	6
5	Windmill generator	22

Carrying Amounts of assets for which useful life is reduced as per the Schedule II of the Companies Act, 2013 which came into effect from 1st April, 2014, are depreciated as shown below:

- The Carrying amount as on 1st April, 2014, is depreciated over remaining useful life of the asset as per Schedule II of the Companies Act, 2013
- If the useful life of asset as on 1st April, 2014, is nil as per Schedule II of the Companies Act, 2013, the carrying amount as on 1st April, 2014, is recognized in the opening balance of the Reserves and Surplus.

Impairment of tangible and intangible assets

- The carrying amounts of assets are reviewed at each Balance Sheet date to ascertain impairment based on internal / external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. An asset's recoverable amount is the higher of an asset's net selling price and its value in use.
- After impairment, depreciation is provided on the revised carrying amount of the asset as per the Useful Life as prescribed in Schedule II of the Companies Act 2013.
- An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the company estimates the asset's recoverable amount. A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

1.7 Leases

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

1.8 Investments

a) Investment in Government Securities

Long-Term Investments are stated at cost and provision for diminution in value, other than temporary, is considered wherever necessary.

Current Investments are valued at lower of cost and market value / net asset value.

b) Investments - Others

Investments, which are readily realizable and intended to be held for not more than three years from the date on which such investments are made, are classified as current investments. All other investments are classified as Long-Term investments.

On initial recognition, all investments are measured at cost. The cost comprises of purchase price and directly attributable acquisition charges such as brokerage, fees and duties. Current investments are carried in the financial statements 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.

On disposal of investments, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit & Loss.

1.9 Income Tax

Tax expense comprises of 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. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted, at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and the reversal of timing differences of the earlier years.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is a reasonable certainty 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 reporting date. The Company writes down the carrying amount of 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.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax asset against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the same taxation authority.

1.10 Retirement and Other Employee Benefits

a) Defined Contribution Plan

(i) Provident Fund

Retirement benefit in the form of provident fund is a defined contribution scheme. The contributions to the provident fund are charged to the Statement of Profit & Loss for the year when the contributions are due in accordance with the fund rules. The Company has no obligation, other than the contribution payable to the provident fund.

(ii) Employees State Insurance

The Company also contributes to Employees State Insurance Corporation on behalf of its employees.

b) Defined Benefit Plan - Gratuity.

Payment of gratuity to employees is covered by the Gratuity Trust Scheme based on the Group Gratuity Cum Assurance Scheme of the LIC of India which is a defined benefit scheme. The yearly contribution/premium paid/payable is determined on actuarial valuation done by LIC. Actuarial gain and loss for defined benefit plan is recognized in full in the period in which they occur in the Statement of Profit & Loss.

1.11 Segment Reporting

The Company's business activity primarily falls within a single business segment which constitutes Financing Activities (Advancing of hypothecation loans, buying loan portfolio of other NBFCs/ Micro Finance company and loan against demand promissory notes etc.). Hence, there is no additional disclosures required under Accounting Standard 17 'Segment Reporting'.

The Company operates primarily in India; hence there is no other significant geographical segment that requires the disclosure.

1.12 Related Party Disclosure

Disclosures are made as per the requirements of the Accounting Standard 18 'Related Party' read with the clarifications issued by Institute of Chartered Accountants of India.



1.13 Earnings per Share

The Company reports basic earning per share in accordance with Accounting Standard -20 "Earnings per Share", issued by the ICAI. Basic earnings per share has been computed by dividing net profit after tax by the weighted average number of equity shares outstanding for the year.

1.14 Cash and Cash Equivalents

Cash and Cash equivalents in the cash flow statements comprise cash at hand and at bank, remittances in transits and short-term investments with an original maturity of three months or less.

1.15 Material Events

Material Event occurring after the Balance Sheet date is taken into cognizance.

1.16 Provisions other than that for Non-Performing Assets

A provision is recognized when the Company has a present legal and constructive obligation as a result of past event, it is probable that an out flow of resources embodying economic benefits will be required to settle the obligation and reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

1.17 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.

1.18 Classification and provisioning as per RBI Guidelines

As per the guidelines given in the Prudential Norms for Non-Banking Financial Companies prescribed by the Reserve Bank of India, the Company makes adequate provisions against Non-Performing Assets in the following manner;

a. Standard Assets:

Provision against Standard Assets is made at the rate of 0.25% as required by Paragraph 9A of the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions 2007 read with Notification No. DNBS.222/CGM (US)-2011 issued by Reserve Bank of India on January 17, 2011.

b. Sub-standard, Doubtful and Loss Assets:

Provision as required by Paragraph 9 of the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions 2007.

c. An additional adhoc provision as considered appropriate by the management towards provision against non-performing assets.



2. NOTES ON ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2015

Amounts in the financial statements are presented in thousands, except for per share data and as otherwise stated. Previous year figures have been reworked, re-grouped, re-arranged and reclassified to conform to the current year presentation.

BALANCE SHEET

2.1 SHARE CAPITAL

(₹ in '000)

Particulars	As at	
	31-Mar-15	31-Mar-14
Authorized 1,50,00,000 equity shares of ₹ 10 par value.	15 00 00	15 00 00
Issued, Subscribed and Paid up 1,24,72,575 equity shares of ₹ 10 par value.	12 47 26	12 47 26
Total	12 47 26	12 47 26

The Company has only one class of shares referred to as equity shares having a par value of ₹ 10. Each holder of equity share 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.

The Board of Directors in their meeting held on 25th May, 2015 proposed a final dividend of ₹ 5 per equity share. The total dividend appropriation for the year ended 31st March, 2015 amounted to ₹ 7 50 59 thousand including corporate dividend tax of ₹ 1 26 96 thousand.

During the year ended 31st March, 2014, the amount of per share dividend recognized as distribution to equity shareholders was ₹ 4.5. The total dividend appropriation for the year ended 31st March, 2014 amounted to ₹ 6 56 66 thousand including corporate dividend tax of ₹ 95 39 thousand.

In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

The reconciliation of the number of equity shares outstanding and the amount of share capital as at 31st March, 2015 and 31st March, 2014 is set out below:

(₹ in '000)

Particulars	As at 31-Mar-15		As at 31-Mar-14	
	No. of shares	Amount	No. of shares	Amount
	in '000	₹ in '000	in '000	₹ in '000
No of shares outstanding at the beginning of the year	1 24 73	12 47 26	1 24 73	12 47 26
Add: Additional shares issued during the year	-	-	-	-
No of shares outstanding at the end of the year	1 24 73	12 47 26	1 24 73	12 47 26



Shareholders holding more than 5% shares in the Company:

Particulars	As at 31-Mar-15		As at 31-Mar-14	
	No. of shares		No. of shares	
	in '000	%	in '000	%
Equity Shares				
Thomas John Muthoot	28 51	22.86	28 51	22.86
Thomas George Muthoot	28 47	22.82	28 47	22.82
Thomas Muthoot	27 97	22.42	27 97	22.42

As per the 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.

2.2 RESERVES AND SURPLUS

(₹ in '000)

Particulars	As at	
	31-Mar-15	31-Mar-14
Securities Premium Account:		
At the beginning of the year	41 80 80	41 80 80
Additions on shares issued during the year	-	-
At the end of the year	41 80 80	41 80 80
Statutory Reserve:		
(As per 45-IC of the Reserve Bank of India Act, 1934)		
At the beginning of the year	18 65 79	14 25 79
Transfer from surplus in Statement of Profit and Loss	5 00 00	4 40 00
At the end of the year	23 65 79	18 65 79
General Reserve:		
At the beginning of the year	8 30 00	6 10 00
Transfer from surplus in Statement of Profit and Loss	2 50 00	2 20 00
At the end of the year	10 80 00	8 30 00
Surplus in the Statement of Profit and Loss		
At the beginning of the year	37 30 79	28 26 89
Adjustment on Account of Change in the useful life of fixed assets as per Schedule II of the Companies Act, 2013 (Note No.: 2.8)		
Less: Written Down value of Fixed Asset Carried to Reserve	(5 40)	-
Add: Deferred Tax impact on the asset (Note No: 2.10)	1 84	-



(₹ in '000)

Particulars	As at	
	31-Mar-15	31-Mar-14
Add: Profit for the year	22 29 15	22 20 56
Less: Appropriations		
Transfer to Statutory Reserves	(5 00 00)	(4 40 00)
Transfer to General Reserves	(2 50 00)	(2 20 00)
Proposed Dividend	(6 23 63)	(5 61 27)
Tax on Proposed Dividend	(1 26 96)	(95 39)
At the end of the year	44 55 79	37 30 79
Total	1 20 82 38	1 06 07 38

2.3 LONG-TERM BORROWINGS

(₹ in '000)

Particulars	As at	
	31-Mar-15	31-Mar-14
Secured:		
Non-Convertible Debentures	8	1 15 25
Unsecured:		
Subordinated Debts	3 79 41	2 58 32
Public Deposits	8 90 78	31 75
Total	12 70 27	4 05 32

Debentures:

The Company has issued Redeemable Non-Convertible Debentures on Private Placement basis in various series. The debentures issued under each series have a repayment period depending on the scheme it falls under. The debentures are repaid within a period of 1 to 6 years, depending on the schemes. The schemes range from Monthly, Annual and Maturity Interest Payment. The rate of interest of the Unmatured Debentures range from 10.9% to 14.2% per annum and the rate of interest of Matured Debentures ranges from 9.5% to 13.1% per annum.

The issued debentures are secured by a Pari-passu First Charge on all movable assets, book debts and receivables created by undertaking the business of Loan against Gold Jewellery, Hypothecation Loan and all other types of Loans, both present and future, created by the company.

Maturity Pattern of Debentures:

(₹ in '000)

Interest Rate % per annum	For the Financial Year 2014-2015					For the Financial Year 2013-2014				
	Matured Unclaimed	Current Maturities		Non-Current	Total	Matured Unclaimed	Current Maturities		Non-Current	Total
	Upto Mar'15	2015-2016	2016-2018	Beyond Mar'18		Upto Mar'14	2014-2015	2015-2017	Beyond Mar'17	
>9 - 12	11 84	71 12	39 92	8	1 22 96	22 17	4 06 12	1 00 22	11 10	5 39 61
>12 - 15	3 35	1 42 86	2 42 83	-	3 89 04	16 82	3 53 62	2 86 19	1 04 15	7 60 78
Total	15 19	2 13 98	2 82 75	8	5 12 00	38 99	7 59 74	3 86 41	1 15 25	13 00 39



This liability towards debentures appears in the financials in the manner given below:

(₹ in '000)

Name of the element in Financials	Reference Note No	Particulars	As at	
			31-Mar-15	31-Mar-14
Long-Term Borrowings	2.3	Non-Convertible Debentures (Secured)	8	1 15 25
Other Current Liabilities	2.6	Current Maturities of Debentures	4 96 73	11 46 15
Other Current Liabilities	2.6	Unclaimed Matured Debentures	15 19	38 99
Total			5 12 00	13 00 39

Subordinated Debts (Sub Debts):

The Company has accepted subordinated debts under three schemes namely Monthly, Annual and Maturity schemes with interest rates ranging from 12.25% to 13.40%. The subordinated debts issued under each scheme will be repaid only on maturity.

Maturity pattern of Subordinated Debts:

(₹ in '000)

Interest Rate % per annum	For the Financial Year 2014-2015					For the Financial Year 2013-2014				
	Matured Unclaimed	Current Maturities		Non-Current	Total	Matured Unclaimed	Current Maturities		Non-Current	Total
	Upto Mar'15	2015-2016	2016-2018	Beyond Mar'18		Upto Mar'14	2014-2015	2015-2017	Beyond Mar'17	
>12 - 14	-	-	-	3 79 41	3 79 41	-	-	-	2 58 32	2 58 32
Total	-	-	-	3 79 41	3 79 41	-	-	-	2 58 32	2 58 32

The Unsecured Subordinated debts of the Company qualify as Tier II Capital under the Non Banking Financial (Deposit accepting or holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

This liability towards subordinated debts appears in the financials in the manner given below:

(₹ in '000)

Name of the element in Financials	Reference Note No	Particulars	As at	
			31-Mar-15	31-Mar-14
Long-Term Borrowings	2.3	Subordinated Debts	3 79 41	2 58 32
Total			3 79 41	2 58 32

Public Deposits:

The Company has accepted Public Deposits under three schemes namely Monthly, Annual and Maturity schemes. The deposits issued under each scheme will be repaid only on maturity, unless claimed by the Depositor earlier and if permissible to be repaid as per the regulations issued in this regard by the Reserve Bank of India. The rate of interest on these deposits ranges from 9% to 12.5% per annum with monthly rest.



Maturity pattern of Public Deposits:

(₹ in '000)

Interest Rate % per annum	For the Financial Year 2014-2015					For the Financial Year 2013-2014				
	Matured Unclaimed*	Current Maturities		Non-Current	Total	Matured Unclaimed	Current Maturities		Non-Current	Total
	Upto Mar'15	2015-2016	2016-2018	Beyond Mar'18		Upto Mar'14	2014-2015	2015-2017	Beyond Mar'17	
>9 -12.5	3 46 20	58 37 11	39 30 37	8 90 78	110 04 46	-	32 06 84	26 49 67	31 75	58 88 26
Total	3 46 20	58 37 11	39 30 37	8 90 78	110 04 46	-	32 06 84	26 49 67	31 75	58 88 26

* The Matured Unclaimed Public Deposits include the Public Deposit- Pending Renewal amounting to ₹ 1 59 79 thousand as shown in Note No. 2.6 Other Current Liabilities (March 31, 2014 : ₹ Nil).

This liability towards Public Deposits appears in the financials in the manner given below:

(₹ in '000)

Name of the element in Financials	Reference Note No	Particulars	As at	
			31-Mar-15	31-Mar-14
Long-Term Borrowings	2.3	Public Deposits	8 90 78	31 75
Other Current Liabilities	2.6	Current Maturities of Public Deposits	97 67 48	58 56 51
Other Current Liabilities	2.6	Deposit Pending Renewal	1 59 79	-
Other Current Liabilities	2.6	Unclaimed Matured Public Deposits	1 86 41	-
Total			110 04 46	58 88 26

2.4 OTHER LONG-TERM LIABILITIES

(₹ in '000)

Particulars	As at	
	31-Mar-15	31-Mar-14
Non-current portion of interest accrued, but not due on:		
Debentures	2	42 62
Subordinated Debts	66 46	24 70
Public Deposits	12 95	8
Others		
Security Deposits (Unsecured)	96	96
Total	80 39	68 36

Current portion of interest accrued, but not due on borrowings amounting to ₹ 5 84 02 thousand is shown in Ref Note No. 2.6 under Other Current Liabilities (March 31, 2014: ₹ 3 34 55 thousand)



2.5 SHORT-TERM BORROWINGS

(₹ in '000)

Particulars	As at	
	31-Mar-15	31-Mar-14
Secured		
Loans repayable on demand (from Banks)		
Working Capital Demand Loans and Cash Credit	5 17 32 72	430 97 89
Term Loan	63 29 24	57 65 23
Unsecured		
Loans and Advances from Related Parties	2 73 05	8 21 30
Inter Corporate Deposits	1 30 00	-
Total	584 65 01	496 84 42

Loans repayable on demand from banks:

Working Capital Demand Loan:		
ICICI Bank Ltd	25 00 00	25 00 00
HDFC Bank Ltd	20 00 00	20 00 00
State Bank of Travancore Ltd.	108 00 00	108 00 00
Kotak Mahindra Bank Ltd	15 00 00	15 00 00
IndusInd Bank Ltd	9 50 00	9 50 00
Federal Bank Ltd.	12 00 00	-
State Bank of India Ltd.	90 00 00	-
YES Bank Ltd.	10 00 00	-
State Bank of Hyderabad Ltd.	34 95 10	-
Sub total	324 45 10	177 50 00
Cash Credit:		
Federal Bank Ltd	2 82 68	14 83 38
IndusInd Bank Ltd	-	44 45
State Bank of India Ltd.	32 57	97 84 06
State Bank of Hyderabad Ltd.	-	20 27 50
Corporation Bank Ltd.	29 58 58	29 59 43
Axis Bank Ltd	4 23 76	-
City Union Bank Ltd	9 93 46	-
South Indian Bank Ltd	66 56 55	74 65 26
Lakshmi Vilas Bank Ltd.	24 59 46	14 96 52
State Bank of Travancore Ltd.	-	87 29
Andhra Bank Ltd.	44 81 44	-
Dhanalaxmi Bank Ltd.	9 99 12	-
Sub total	192 87 62	253 47 89
Total	517 32 72	430 97 89



(₹ in '000)

Particulars	As at	
	31-Mar-15	31-Mar-14
Term Loan:		
Yes Bank Ltd.	15 00 00	-
IDBI Bank Ltd.	20 00 00	-
Indian Overseas Bank Ltd.	-	25 00 00
Dhanlaxmi Bank Ltd.	28 29 24	32 65 23
Total	63 29 24	57 65 23
Grand Total	580 61 96	4 88 63 12

Guaranteed Loans

The Working Capital Demand Loans and Cash Credit obtained from Banks have been personally guaranteed by the Promoter Directors of the Company, namely, Mr.Thomas John Muthoot, Mr. Thomas George Muthoot and Mr. Thomas Muthoot.

Security of the Loans from Banks

The Working Capital Demand Loans and Cash Credit facility have been obtained from the banks by creating First Charge on the entire current assets including gold loan and hypothecation loan receivables ranking pari-passu with other Banks and Debenture Holders.

Rate of interest

Short-Term Borrowings from banks carries interest at the rate of 11.5% to 14% per annum during the year.

Term Loan from Banks:

The term loan from banks are secured by hypothecation of specific assets covered by Hypothecation Loan Receivables/ on entire current assets including hypothecation loan receivables, gold loan receivables and other current assets of the company. Rate of interest varies from 12% to 13%. The loan is repayable in equal monthly/ quarterly instalments spread over 24 months to 36 months.

Maturity of Term Loan from Banks:

(₹ in '000)

Name of the Bank	For the Financial Year 2014-2015				For the Financial Year 2013-2014			
	2015-2016	2016-2018	Beyond Mar'18	Total	2014-2015	2015-2017	Beyond Mar'17	Total
Dhanlaxmi Bank Ltd.	19 35 39	8 93 85	-	28 29 24	13 36 00	19 29 23	-	32 65 23
Indian Overseas Bank Ltd.	-	-	-	-	8 33 33	16 66 67	-	25 00 00
YES Bank Ltd.	7 50 00	7 50 00	-	15 00 00	-	-	-	-
IDBI Bank Ltd.	6 06 06	13 93 94	-	20 00 00	-	-	-	-
Total	32 91 45	30 37 79	-	63 29 24	21 69 33	35 95 90	-	57 65 23

The above mentioned Term Loans do not include the loan of ₹ 37 25 84 thousand (Balance Outstanding as on 31.03.2015 ₹ 71 05 thousand) against the selling of Receivables from Financing Activities in favour of Dhanlaxmi Bank Limited.



Loan from Directors

The Company has entered into transactions involving receipts and payments of different amounts with the directors of the Company. The Company pays interest at 12% per annum. The balance outstanding as on March 31, 2015 was ₹ 2 73 05 thousand (March 31, 2014: ₹ 8 21 30 thousand).

Inter Corporate Deposits

The Company has taken an Inter Corporate Deposit of ₹ 1 30 00 thousand from Adtech Systems Ltd during the month of March 2015, which is repayable after a period of 3 months with an effective rate of interest of 9% per annum.

2.6 OTHER CURRENT LIABILITIES

(₹ in '000)

Particulars	As at	
	31-Mar-15	31-Mar-14
Current maturities of long term debt		
Debentures (Secured)	4 96 73	11 46 15
Public Deposits	97 67 48	58 56 51
Interest accrued and due on borrowings		
Unclaimed Matured Debentures	4 47	4 80
Unclaimed Matured Public Deposits	36	-
Interest accrued, but not due on		
Bank Borrowings	2 52 25	1 05 87
Debentures	2 43 43	2 35 87
Sub Debts	83	83
Public Deposits	3 39 76	97 85
Inter Corporate Deposit	7	-
Income received in advance	2 16 95	1 75 52
Unclaimed dividends*	36 26	32 06
Unclaimed Matured Debentures	15 19	38 99
Unclaimed Matured Public Deposits	1 86 41	-
Collection Agency Deposit	3 00	-
Public Deposits Pending Renewal	1 59 79	-
Other Payables		
Initial Payment	12 26	25 97
Foreclosure	1 38	36
Excess Instalment received against receivables from financing activities	7 40	6 68
Withholding Tax	45 24	38 30
Business Sourcing Incentive Payable	1 58 02	2 56 60
Other Expenses Payable**	3 89 85	2 93 72
Statutory Dues Payable	72 51	55 52
Others	66 15	34 57
Total	124 75 79	84 06 17

* There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.

** Other Expenses payable includes amounts payable to related parties amounting to ₹ 1 53 09 thousand (March 31, 2014: ₹ 49 10 thousand)



2.7 SHORT-TERM PROVISIONS

(₹ in '000)

Particulars	As at	
	31-Mar-15	31-Mar-14
Employee Benefits*	-	36 92
Others		
Proposed dividend	6 23 63	5 61 27
Provision for dividend tax	1 26 96	95 39
Provision for taxation (Net)	54 69	17 13
Contingency provisions against standard assets (made @0.25% of the outstanding Standard Assets)	2 03 00	1 68 89
Provision for Non-Performing Assets **	5 14 89	1 90 14
Total	15 23 17	10 69 74

Provision for Income Tax represents the tax provision remaining as on the Balance Sheet date after setting off the advance tax paid during the year against the tax due for the assessment year 2015-2016.

* Refer Note No 2.13 'Other Non-Current Assets' and Note 3- 'Defined Benefit Plans- Gratuity Valuation'

** Includes an additional adhoc provision of ₹ 75 00 thousand (March 31, 2014 ₹ Nil) made against Non-Performing Assets.

Reserve Bank of India (RBI) has issued the Revised Regulatory Framework for Non Banking Finance Companies (NBFCs) on 10th November, 2014 and the related notification dated 27th March, 2015 (collectively referred to as 'the framework') to address various matters including harmonization of asset classification and provisioning norms wherein the provisioning norms for NBFCs are being brought in line with that of banks in a phased manner over a period of 3 years as per which an asset shall become a Non-Performing Asset (NPA):

- (i) if they become overdue for 5 months for the financial year ending 31.03.2016
- (ii) if they become overdue for 4 months for the financial year ending 31.03.2017
- (iii) if they become overdue for 3 months for the financial year ending 31.03.2018 and thereafter.

Currently, the Company classifies Non-Performing Assets at 6 months default. With an aim to align itself with the provisioning rates prescribed in the framework in the manner shown above, the Company has made an additional adhoc provision amounting to ₹ 75 00 thousand on perceived credit risk.

2.8 TANGIBLE ASSETS

(₹ in '000)

Particulars	Gross Block at Cost			Depreciation					Net Block		
	At 31 March, 2014	Additions	Sales	At 31 March, 2015	At 31 March, 2014	Transfer to Reserve	Charge for the year	Adj. for the Year	At 31 March, 2015	At 31 March, 2014	At 31 March, 2015
Furniture and Fittings	1 82 63	12 47	21	1 94 89	65 28	98	35 80	9	1 01 97	1 17 35	92 92
Vehicles	35 85	-	-	35 85	27 00	-	2 98	-	29 98	8 85	5 87
Office Equipments	1 05 84	16 24	1 12	1 20 96	23 20	51	47 91	74	70 88	82 64	50 08
Computers and Accessories	1 99 35	37 19	1 00	2 35 54	1 33 60	3 91	50 44	81	1 87 14	65 75	48 40
Windmill Generator	89 78	-	-	89 78	80 82	-	1 84	-	82 66	8 96	7 12
Total	6 13 45	65 90	2 33	6 77 02	3 29 90	5 40	1 38 97	1 64	4 72 63	2 83 55	2 04 39



Pursuant to the enactment of Companies Act 2013, the Company has applied the estimated useful life as specified in Schedule II of the said act to provide for depreciation. Accordingly, the unamortised carrying value is depreciated over the revised / remaining useful lives. The written down value of fixed assets whose lives have expired as at 1st April, 2014 has been adjusted net of tax in the opening balance of the surplus in the Statement of Profit and Loss amounting to ₹ 3 56 thousand (Note No. 2.2). Had the Company continued to provide depreciation as per the previous rates specified in Schedule XIV of the Companies Act, 1956, the depreciation would have been lower by ₹ 69 25 thousand.

2.9 NON-CURRENT INVESTMENTS

(₹ in '000)

Particulars	As at	
	31-Mar-15	31-Mar-14
Investments in Mutual Funds	19	19
Investment in Government Securities	13 24 94	6 84 95
Total	13 25 13	6 85 14

(₹ in '000)

Particulars	Cost	Market Value
Aggregate amount of quoted investments:		
Mutual Funds	19	49
Government Securities*	13 24 94	13 80 35
Total	13 25 13	13 80 84

*In accordance with the Reserve Bank of India Directives, the Company has created floating charge on the statutory liquid assets comprising investment in Government Securities of face value of ₹13 88 00 thousand (Cost- ₹.13 24 94 thousand) and bank deposits of ₹ 3 92 00 thousand (Refer Note No. 2.15 'Cash and Cash Equivalents') in favour of trustees representing the deposit holders of the Company.

2.10 DEFERRED TAX ASSET (NET)

(₹ in '000)

Particulars	As at	
	31-Mar-15	31-Mar-14
Deferred Tax Asset		
Provision for NPA and Others	2 47 29	1 28 66
Preliminary Expenses charged off to the Statement of Profit and Loss, but allowed as expense under tax laws in 5 years	1 99	4 53
Impact of difference between tax depreciation and depreciation charged for Financial Reporting	20 95	(6 16)
Others	-	5 34
Net Deferred Tax Asset	2 70 23	1 32 37

The increase in the deferred tax asset amounting to ₹ 1 37 86 thousand during the year ended 31.03.2015 as shown in the above table is represented in the Financial Statements in the manner shown below;

(₹ in '000)

SI No	Particulars	Amount
1	Deferred Tax Asset recognized by way of credit in the Statement of Profit and Loss towards timing difference	1 36 02
2	Adjustment against opening reserve towards the written down value relating to assets whose useful life was Nil as per Schedule II of the Companies Act, 2013 (Refer Note No. 2.2)	1 84
	Total	1 37 86



Deferred tax asset and deferred tax liabilities have been offset wherever the Company has legally enforceable right to set off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes liabilities relating to the same taxation authority.

2.11 LONG-TERM RECEIVABLES FROM FINANCING ACTIVITIES

(₹ in '000)

Particulars	As at	
	31-Mar-15	31-Mar-14
Secured considered good, unless otherwise stated:		
Hypothecation Loan	37 32	1 40 60
Demand Promissory Notes (Un secured)	1 91	-
Total	39 23	1 40 60

The summary of the receivables from Hypothecation Loan appear in the financial statements in the manner shown below:

(₹ in '000)

Name of the element in Financials	Reference Note No	Particulars	As at	
			31-Mar-15	31-Mar-14
Long-Term Receivables from Financing Activities	2.11	Hypothecation Loan	37 32	1 40 60
Receivables from Financing Activities	2.16	Principal outstanding in current maturity of Hypothecation Loan	782 62 52	676 63 06
Total			782 99 84	678 03 66

2.12 LONG-TERM LOANS AND ADVANCES

(₹ in '000)

Particulars	As at	
	31-Mar-15	31-Mar-14
Unsecured, considered good		
Security Deposits	16 75	9 97
Total	16 75	9 97

2.13 OTHER NON-CURRENT ASSETS

(₹ in '000)

Particulars	As at	
	31-Mar-15	31-Mar-14
Gratuity Plan Asset*	67 57	-
Total	67 57	-

*Refer Note No 2.7 Short-Term Provisions and Note No. 3 Defined Benefit Plans- Gratuity Valuation



2.14 CURRENT INVESTMENTS

(₹ in '000)

Particulars	Face value (in ₹)	As at 31-Mar-2015		As at 31-Mar-2014	
		Holding (No.)	Cost	Holding (No.)	Cost
Investment in Equity Instruments					
Bosch Ltd	10	24	1 48	43	2 09
Cairn India Ltd	10	-	-	497	1 50
Eicher Motor Ltd	10	72	1 60	72	1 60
United Spirits	10	90	2 21	-	-
HDFC Bank Ltd.	2	535	1 09	624	1 28
HDFC Ltd.	2	357	1 45	357	1 45
Hero Motocorp Ltd	2	95	77	96	78
Infosys Technologies	5	-	-	105	1 32
Larsen & Toubro Ltd	2	195	49	209	49
Nestle India	10	-	-	64	1 96
Divs Laboratories Ltd	2	-	-	154	1 82
Bharat Forge Ltd	2	263	3 36	-	-
State Bank Of India Ltd	1	1 450	2 52	146	2 53
Tech Mahindra Ltd	5	764	3 03	196	3 10
Asian Paints	1	429	2 13	439	2 17
Tata Consultancy Services	1	144	3 04	-	-
Sun Pharmaceuticals	1	721	5 35	-	-
Total			28 52		22 09

The details regarding the quoted investments are as follows:

(₹ in '000)

Particulars	Basis of Valuation	Market Value As at 31-March-15
Investments in quoted Equity Instruments	Cost or Market Value, whichever is less	63 46

2.15 CASH AND CASH EQUIVALENTS

(₹ in '000)

Particulars	As at	
	31-Mar-15	31-Mar-14
Balances with banks		
in Current Accounts	2 29 21	7 36 56
in Deposit Accounts	3 92 00	52 00
Cash on Hand	24	3 30
Unclaimed Dividend Accounts	36 26	32 06
Total	6 57 71	8 23 92



(₹ in '000)

Particulars	As at	
	31-Mar-15	31-Mar-14
In Current Accounts		
Axis Bank Ltd.	2 60	1 91 84
State Bank of India Ltd.	17 35	70 32
Dhanlaxmi Bank Ltd.	11 00	5 29
Indusind Bank Ltd.	1 07	1
Ing Vysya Bank Ltd.	5	9 75
HDFC Bank Ltd.	1 00 13	1 10 19
ICICI Bank Ltd.	3 65	1 11 40
IDBI Bank Ltd.	2 79	9 28
Kotak Mahindra Ltd.	3 65	11 49
South Indian Bank Ltd.	88	88
City Union Bank Ltd.	-	5 27
Indian Overseas Bank Ltd.	4 18	2 10 84
Lakshmi Vilas Bank Ltd.	1 62	-
State Bank of Travancore Ltd.	46 90	-
YES Bank Ltd.	28 82	-
State Bank of Hyderabad Ltd.	4 52	-
Total	2 29 21	7 36 56

(₹ in '000)

Particulars	As at	
	31-Mar-15	31-Mar-14
In Deposit Account		
Deposit having maturity date of more than 3 months		
Axis Bank Ltd.	52 00	52 00
Lakshmi Vilas Bank Ltd.	2 40 00	-
Dhanlaxmi Bank Ltd.	1 00 00	-
Total	3 92 00	52 00
In Unclaimed Dividend Accounts		
HDFC Bank	36 26	32 06
Total	36 26	32 06



2.16 RECEIVABLES FROM FINANCING ACTIVITIES

(₹ in '000)

Particulars	As at	
	31-Mar-15	31-Mar-14
(Secured, considered good unless otherwise stated)		
Principal outstanding in current maturity of:		
Hypothecation Loan	783 33 57	687 55 27
Less: Loan Sellout of Receivables from Financing Activities taken in favor of Dhanlaxmi Bank Ltd.*	(71 05)	(10 92 21)
	782 62 52	676 63 06
Loan Buyout-Two Wheeler Portfolio**	5 26 29	-
Loan Buyout-Micro Finance Portfolio***	29 99 97	-
Other Loans		
Gold Loan (Secured but fully provided)	14 22	14 80
Demand Promisary Notes (Unsecured)	7 26 01	1 34 51
Demand Promisary Notes (Secured)	2 31 41	-
Loan against Public Deposits	97 35	6 00
Loan against Debenture	10 41	41 05
Interest Accrued on:		
Hypothecation Loan	11 45 06	10 57 72
Loan against Public Deposits	1 77	6
Loan against Debenture	97	3 63
Total	840 15 98	689 20 83

(₹ in '000)

Particulars	As at	
	31-Mar-15	31-Mar-14
Loan Buyout **		
Two Wheeler Portfolio		
Finvent Finance and Investments Ltd.	2 89 80	-
Chaitanya India Fin Credit Pvt. Ltd.	2 36 49	-
Sub total	5 26 29	-
Microfinance Portfolio		
Muthoot Fincorp Ltd.***	29 99 97	-
Total	35 26 26	-

*** A related concern

*Loan taken from Dhanlaxmi Bank Ltd. against sellout of Receivables from Financing Activities in favour of the Bank

The Company has availed finance against the sellout of receivables in favour of Dhanlaxmi Bank Ltd. As per the arrangement for the above mentioned loan transaction, the Company received an amount of ₹ 37 25 84 thousand from the bank repayable in 34 monthly instalments. The balance outstanding as on March 31, 2015 is ₹ 71 05 thousand (March 31, 2014 ₹ 10 92 21 thousand). The rate of interest payable for the loan is 13% per annum on the diminishing balance.

Refer Note No. 8 Particulars of the Loan taken from Dhanlaxmi Bank Ltd against the sellout of Receivables from Financing Activities in favour of Dhanlaxmi Bank Ltd.



**Loan Buyout

The Company has entered into arrangements with Muthoot Fincorp Ltd, Finvent Finance and Investments Ltd. and Chaitanya India Fin Credit Pvt. Ltd., for the buyout of receivables against Micro Finance Portfolio and receivables against financing of two wheeler portfolios respectively. The rate of interest receivable on the loan buyouts is 16% per annum on the diminishing balance

Refer: Note No. 9- Particulars of Buyout of Receivables from Other NBFCs

Maturity Pattern of Hypothecation Loan:

(₹ in '000)

Particulars	For the Financial Year 2014-2015				For the Financial Year 2013-2014			
	Current Maturities		Non Current	Total	Current Maturities		Non Current	Total
	2015-2016*	2016-2018	Beyond Mar'18		2014-2015*	2015-2017	Beyond Mar'17	
Hypothecation Loan	527 15 53	255 46 99	37 32	782 99 84	411 99 81	264 63 25	1 40 60	678 03 66
Total	527 15 53	255 46 99	37 32	782 99 84	411 99 81	264 63 25	1 40 60	678 03 66

*Includes amount already due

Maturity Pattern of Buyout Loans

(₹ in '000)

Name of the Party	For the Financial Year 2014-2015				For the Financial Year 2013-2014			
	2015-2016	2016-2018	Beyond Mar'18	Total	2014-2015	2015-2017	Beyond Mar'17	Total
Finvent Finance and Investments Ltd.	2 23 66	66 14	-	2 89 80	-	-	-	-
Chaitanya India Fin Credit Pvt. Ltd.	2 10 37	26 12	-	2 36 49	-	-	-	-
Muthoot Fincorp Ltd.	23 81 91	6 18 06	-	29 99 97	-	-	-	-
Total	28 15 94	7 10 32	-	35 26 26	-	-	-	-

2.17 SHORT-TERM LOANS AND ADVANCES

(₹ in '000)

Particulars	As at	
	31-Mar-15	31-Mar-14
(Unsecured, considered good unless otherwise stated)		
Advances to Dealers	95 20	98 15
Other Advances	89 77	78 69
Tax Refund Receivable	23 35	23 35
Service Tax Refund	5 50	26 83
Total	2 13 82	2 27 02



2.18 OTHER CURRENT ASSETS

(₹ in '000)

Particulars	As at	
	31-Mar-15	31-Mar-14
Trade Receivables	31	1 57
Other Receivables	3 20	-
Debts Due by Related Party	2 12 42	90 50
Interest Accrued on SLR Deposits / Investments	35 43	17 55
Reposessed Asset (Net of Provision)	53 58	1 33 54
Total	3 04 94	2 43 16

STATEMENT OF PROFIT AND LOSS

2.19 REVENUE FROM OPERATIONS

(₹ in '000)

Particulars	Year ended	
	31-Mar-15	31-Mar-14
Income from Financial Operations		
Hypothecation Loans	187 78 24	157 25 72
Loan Buyout	32 75	-
Others		
Gold Loan	55	60 11
Demand Promisory Notes	66 13	29 53
Loan against Public Deposits	8 07	10
Loan against Debenture	3 22	7 57
Interest Income		
On Investments	83 48	4 67
On Deposits	8 17	1 69
On delayed receipt of collection amount	67 83	29 31
Total	190 48 44	158 58 70

2.20 OTHER INCOME

(₹ in '000)

Particulars	Year ended	
	31-Mar-15	31-Mar-14
Dividend Income		
From Current Investments	65	62
Net gain on sale of investments		
From Current Investments	7 94	-
Other Non- operating Income		
Income from Wind Mill Operations	7 13	9 32
Excess Provision Written Back	40 40	3 93
Profit on Sale of Fixed Assets	16	4
Miscellaneous Income	22 30	2 62
Interest Income	1 62	59
Total	80 20	17 12



2.21 EMPLOYEE BENEFITS

(₹ in '000)

Particulars	Year ended	
	31-Mar-15	31-Mar-14
Salaries and Wages	28 86 46	25 74 60
Incentive to Employees	6 27 30	5 17 58
Contribution to Provident and Other funds	3 56 05	2 71 99
Staff Welfare Expense	23 37	13 93
Other Expenses	36 28	1 00 15
Total	39 29 46	34 78 25

2.22 FINANCE COSTS

(₹ in '000)

Particulars	Year ended	
	31-Mar-15	31-Mar-14
Interest on borrowings		
Bank Loans	61 34 44	51 55 29
Debentures	1 14 61	2 33 06
Subordinated Debts	53 48	36 76
Public Deposits	9 55 26	1 48 61
Loan From Directors	57 28	56 72
Other Interest		
Security Deposit	-	1 50 41
Others	3 62 01	2 63 80
Total	76 77 08	60 44 65

2.23 ADMINISTRATIVE AND OTHER EXPENSES

(₹ in '000)

Particulars	Year ended	
	31-Mar-15	31-Mar-14
Power and Fuel	26 54	22 03
Rent	2 86 49	2 26 79
Repairs and Maintenance	15 67	30 64
Insurance	61 14	21 63
Rates & Taxes (excluding taxes on income)	12 01	20 82
Business Sourcing Incentive	10 78 12	12 11 14
Collection Charges	3 54 59	2 53 09
Investigation and Professional Charges for Auto loans	3 75 50	2 72 49
Business Promotion Expense	21 97	30 87
Communication Expenses	1 23 52	96 80
Donation	27	5 19
Travelling Expenses	66 26	72 14
Printing & Stationery	93 43	71 98
Advertisement Expenses	24 51	39 07
Internal Audit Fees	7 64	8 06
Payment to Statutory Auditors	12 01	10 01



(₹ in '000)

Particulars	Year ended	
	31-Mar-15	31-Mar-14
AGM Expenses	20	2 17
Loss on Sale of Repossessed Assets	9 51 47	2 23 44
Wind Mill Expense	3 42	1 33
Expenditure against Corporate Social Responsibility Activities	60 00	10
Miscellaneous Expenses	32 95	26 89
Total	36 07 71	26 46 68

Payment to Statutory Auditors

(₹ in '000)

Particulars	Year ended	
	31-Mar-15	31-Mar-14
Audit fees (Including for Limited Review)	9 07	7 56
Taxation matters	1 50	1 25
Other services	1 44	1 20
Total	12 01	10 01

Expenditure against Corporate Social Responsibility Activities

(a) The Gross Amount required to be spent by the Company during the year is ₹ 59 24 thousand

(b) Amount spent during the year on:

(₹ in '000)

Particulars	In Cash	Yet to be paid in Cash	Total
(i) Construction/Acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	60 00	-	60 00

2.24 PROVISIONS

(₹ in '000)

Particulars	Year Ended	
	31-Mar-15	31-Mar-14
Provision against Non Performing Assets	3 24 75	1 23 89
Provision against Repossessed Assets	-	69 56
Provision against Standard Assets	34 11	55 89
Other Provisions	-	19 69
Total	3 58 86	2 69 03



3. DEFINED BENEFIT PLANS- GRATUITY VALUATION

The Company has entered into an arrangement with LIC of India to cover the liability payable to the employees towards the gratuity under a Gratuity Trust Scheme based on Group Gratuity Cum Assurance Scheme of the LIC of India which is a defined benefit scheme and the company has to make contributions under such scheme.

(A) Reconciliation of benefit obligation and plan asset for the year

(₹ in '000)

Particulars	Year Ended	
	31-Mar-15	31-Mar-14
(i) Change in Defined Benefit Obligation		
Opening Defined Benefit Obligation	1 31 17	61 95
Current Service Cost	57 73	66 65
Interest Cost	10 49	4 95
Benefits paid from fund	(2 98)	-
Actuarial Losses/(Gain)	(75 02)	(2 38)
Closing Defined Benefit Obligation	1 21 39	1 31 17

(₹ in '000)

Particulars	Year Ended	
	31-Mar-15	31-Mar-14
(ii) Change in Fair Value of Plan Assets		
Opening Fair Value of Plan Assets	94 25	42 61
Expected Return on Plan Assets	12 36	7 01
Contributions by employer	85 33	44 63
Benefits Paid	(2 98)	-
Closing Fair Value of Plan Assets	1 88 96	94 25

(B) Amount recognized in Balance Sheet

(₹ in '000)

Particulars	Year Ended	
	31-Mar-15	31-Mar-14
Present Value of Funded Obligations	1 21 39	1 31 17
Fair Value of Plan Assets	(1 88 96)	(94 25)
Net Asset/(Liability)*	67 57	(36 92)

* Refer Note No. 2.7 Short term Provisions and Note No. 2.13 Other Non Current Assets

(C) Expense recognized in the Statement of Profit & Loss.

(₹ in '000)

Particulars	Year Ended	
	31-Mar-15	31-Mar-14
Current Service Cost	57 73	66 65
Interest on defined benefit obligation	10 49	4 96
Expected return on plan asset	(12 36)	(7 01)
Net Actuarial losses (gains) recognized in the year	(75 02)	(2 38)
Total, included in "Employee Benefits" as shown in Note No. 2.21	(19 16)	62 22



(D) The principal assumptions used in determining gratuity obligation for the Company's plans are shown below:

Particulars	Year Ended	
	31-Mar-15	31-Mar-14
Discount Rate (p.a.)	8%	8%
Salary Escalation Rate (p.a.)	5%	5%

4. DETAILS OF GOLD AUCTIONS CONDUCTED DURING THE FINANCIAL YEAR: (₹ in '000)

Sl No	Branch	Total No. of Loan A/c	Total Amount Due as on the date of auction (including accrued interest)	Value fetched from gold auction (inclusive of VAT)	Any Sister Concern Participated
1	Tirupur	2	1 74	93	No
TOTAL			1 74	93	

5. RELATED PARTY DISCLOSURES

List of Related Parties as on March 31, 2015 is given below:

A. Particulars of Companies/ Firms/Limited Liability Partnerships/Trusts where control/significant influence exists:-

Sl No	Name of the Company/Firm/LLP/Trusts
1	MPG Hotels and Infrastructure Ventures Private Limited
2	Muthoot Fincorp Limited
3	EMMEL Realtors and Developers Private Limited
4	Mariposa Agri Ventures and Hospitalities Private Limited
5	Finance Companies' Association (India)
6	Muthoot Pappachan Chits (India) Private Limited
7	The Thinking Machine Media Private Limited
8	Calypso Agri Development and Hospitalities Private Limited
9	Mandarin Agri Ventures and Hospitalities Private Limited
10	E L Toro Agri Projects and Hospitalities Private Limited
11	Fox Bush Agri Development and Hospitalities Private Limited
12	Cinnamon Agri Development and Hospitalities Private Limited
13	Pine Pink Agri Ventures and Hospitalities Private Limited
14	L M Realtors Private Limited
15	Muthoot Dairies and Agri Ventures Private Limited
16	Jungle Cat Agri Development and Hospitalities Private Limited
17	Buttercup Agri Projects and Hospitalities Private Limited
18	Flame Agri Projects and Hospitalities Private Limited
19	Goblin Agri Projects and Hospitalities Private Limited
20	Alaska Agri Projects and Hospitalities Private Limited
21	Muthoot Holdings Private Limited
22	Muthoot APT Ceramics Limited
23	Muthoot Housing Finance Company Limited
24	Muthoot Automobile Solutions Private Limited
25	Muthoot Agri Development and Hospitalities Private Limited
26	Bamboo Agri Projects and Hospitalities Private Limited
27	Muthoot Automotive (India) Private Limited
28	Muthoot Land and Estates Private Limited
29	Muthoot Buildtech (India) Private Limited
30	Muthoot Properties (India) Limited
31	Muthoot Kuries Private Limited
32	Muthoot Equities Limited
33	Muthoot Hotels Private Limited
34	Muthoot Agri Projects and Hospitalities Private Limited
35	Muthoot Motors Private Limited
36	Muthoot Infrastructure Private Limited
37	The Right Ambient Resorts Private Limited



SI No	Name of the Company/Firm/LLP/Trusts
38	Muthoot Pappachan Technologies Limited
39	Muthoot Pappachan Medicare Private Limited
40	Muthoot Exim Private Limited
41	Palakkad Infrastructure Private Limited
42	Muthoot Risk Insurance and Broking Services Private Limited
43	Muthoot Bankers
44	Muthoot Cine Enterprise
45	Muthoot Estate Investments
46	Muthoot Finance Company
47	Muthoot Insurance Services
48	Muthoot Motors (Cochin)
49	MPG Apex Management LLP
50	MPG Automobiles LLP
51	MPG Land Developers LLP
52	Muthoot Pappachan Foundation

B. Promoters and Key Managerial Personnel (KMP)

SI No	Name of the Promoters and KMP	Designation
1	Thomas John Muthoot	Chairman
2	Thomas George Muthoot	Managing Director
3	Thomas Muthoot	Director
4	R. Manomohanan	Chief Executive Officer
5	Vinodkumar M. Panicker	Chief Finance Officer
6	Syam Kumar R.	Company Secretary & Head-Governance

C. Relatives of Promoters and Key Managerial Personnel (KMP)

SI No	Promoters and KMP	Name of Relatives	Nature of Relationship
1	Thomas John Muthoot	Mrs. Janamma Thomas Mrs. Preethi John Ms. Susan John Muthoot Mr. Thomas M John	Mother Spouse Daughter Son
2	Thomas George Muthoot	Mrs. Nina George Ms. Tina Suzanne George Ms. Ritu Elizabeth George Ms. Swetha Ann George	Spouse Daughter Daughter Daughter
3	Thomas Muthoot	Mrs. Remy Thomas Ms. Suzannah Muthoot Ms. Hannah Muthoot	Spouse Daughter Daughter
4	R. Manomohanan	Mrs. S. Krishnakumari Mr. Binu Mohan M. Mr. Ginu Mohan M.	Spouse Son Son
5	Vinodkumar M. Panicker	Mrs. Rashmi V. Panicker Ms. Priyanka V. Panicker Ms. Ananya V. Panicker	Spouse Daughter Daughter
6	Syam Kumar R.	Mrs. Maya R. Unnithan Ms. Nandini Syamkumar Mr. Nandan Syamkumar	Spouse Daughter Son



i. Details relating to transactions with parties referred to in Item (A):

(₹ in '000)

Particulars	Name of the Related Party	2014-2015	2013-2014
Income:			
Income from Wind Mill Operations	Muthoot Bankers *	7 13	9 32
Interest Income	Muthoot Fincorp Ltd.	67 83	29 31
Expenses:			
Interest on MFL Security Deposit	Muthoot Fincorp Ltd.	-	1 50 41
Brokerage paid for canvassing Public Deposits and Sub Debts	Muthoot Exim Private Ltd.	1 54 38	81 91
Business Sourcing Incentive	(i) Muthoot Automotive (I) Pvt.Ltd.	7	33
	(ii) Muthoot Motors (Cochin)	55 50	27 28
	(iii) Muthoot Motors Pvt. Ltd.	83	-
	(iv) Muthoot Fincorp Ltd. *	2 34 31	2 38 36
Collection Charges	Muthoot Fincorp Ltd. *	3 41 12	1 26 57
Wind Mill Expense	Muthoot Bankers *	3 42	1 33
CSR Expenses	Muthoot Pappachan Foundation	60 00	-
Donation	Muthoot Pappachan Foundation	-	5 00
Travelling Expenses	Muthoot Fincorp Ltd.	6 58	1 57
Advertisement Expenses	Muthoot Motors	1 23	37
Repairs and Maintenance	Muthoot Fincorp Ltd.	-	13 82
Rent on Space Sharing	Muthoot Fincorp Ltd. *	23 25	23 59
Rent	Muthoot Estate Investments	67 58	63 75
Assets:			
Trade Receivables	Muthoot Bankers*	31	1 57
Debts due by Related Party	Muthoot Fincorp Ltd.	2 12 42	90 50
Rent Deposit	(i) Muthoot Estate Investments	30 17	30 17
	(ii)Muthoot Fincorp Ltd. *	10 17	10 17
Buyout Loan- Micro Finance Portfolio**	Muthoot Fincorp Ltd.	29 99 97	-
Liabilities:			
Business Sourcing Incentive Payable	(i) Muthoot Automotive (I) Pvt. Ltd	-	11
	(ii) Muthoot Motors (Cochin)	8 77	17 16
	(iii) Muthoot Motors Pvt Ltd	30	-
Rent Payable	(i) Muthoot Estate Investments	-	4 53
	(ii) Muthoot Fincorp Ltd.	-	1 67
Amount payable for liability taken over by Related Party	Muthoot Estate Investments	-	5 79
Expenses payable	Muthoot Fincorp Ltd.	1 03 82	42 90
Brokerage Payable for canvassing Public Deposits and Sub debts	Muthoot Exim Private Ltd.	34 48	42 97
Deposit accepted and repaid during the year	Muthoot Fincorp Ltd.	-	20 00

* Transactions approved by the shareholders in the Annual General Meeting held on September 3, 2014.



** This amount represents the balance collectable against the Loan Buyout transaction concluded during the year between the Company and Muthoot Fincorp Ltd. (Micro-Finance Division). In this transaction, advance was given against the portfolio of loans bought from Muthoot Fincorp Ltd. at an IRR of 16% per annum and Muthoot Fincorp Ltd was appointed as Agents for collecting the due amount and paying the same to the Company.

ii. Details relating to transactions with parties referred to in Item (B):

(₹ in '000)

Particulars	Related Party	2014-2015	2013-2014
Expenses:			
Salaries, Allowances and Incentives	(i) Thomas George Muthoot	1 50 00	1 50 00
	(ii) R.Manomohanan	97 28	1 00 46
	(iii) Vinodkumar M Panicker	51 69	13 41*
	(iv) Syam Kumar R.	12 69	-
PF Contribution	(i) Thomas George Muthoot	9 00	9 00
	(ii) R.Manomohanan	7 20	5 76
	(iii) Vinodkumar M Panicker	3 60	1 05*
	(iv) Syam Kumar R.	15	-
Reimbursement of Expenses	(i) Thomas George Muthoot	1 62	2 65
	(ii) R.Manomohanan	3 71	2 33
	(iii) Vinodkumar M Panicker	3 87	1 06*
Interest on Loan From Director	Thomas George Muthoot	57 28	56 72
Dividend Paid	(i) Thomas John Muthoot	1 28 29	1 14 04
	(ii) Thomas George Muthoot	1 28 09	1 13 86
	(iii) Thomas Muthoot	1 25 86	1 11 88
	(iv) R. Manomohanan	2	120
Rent Paid	Thomas George Muthoot	1 72 73	1 24 00
Security Charges	Thomas George Muthoot	15	37
Assets:			
Rent Deposit	Thomas George Muthoot	25 00	25 00
Liabilities:			
Loan from Directors	Thomas George Muthoot	2 73 05	8 21 30
Rent Payable	Thomas George Muthoot	14 79	-
Maximum amount due in transaction with Directors		8 72 92	8 21 30

* Salary for 3.5 months during the year 2013 - 14

iii. Details relating to transactions with relatives of Key Managerial Personnel

(₹ in '000)

Particulars	Relationship	2014-2015	2013-2014
Dividend Paid	Relatives of Key Managerial Person	38 20	41 09



6. LEASES

Obligation on Long Term Non Cancellable Operating Leases

The lease rentals charged during the period and the maximum obligation on long term, non-cancelable operating leases payable as per the rentals stated in the respective agreements are as follows: (₹ in '000)

Sl No	Particulars	Transaction for the Year 2014-15	Transaction for the Year 2013-14
1	Lease rentals recognized during the period	2 79 80	2 23 17
2	Lease obligations payable		
	Not later than one year	3 06 24	1 75 47
	Later than one year and less than five years	3 87 45	1 48 96
	Later than five years	86 67	33 51
	Total	10 60 16	5 81 11

The operating lease arrangements are renewable on a periodic basis and relates to rented premises. The lease agreements have price escalation clauses.

7. BASIS OF CLASSIFICATION OF ASSETS AND LIABILITIES

During this year, the receivables against financing activities have been treated as current assets following the principle that the operating cycle of the Company is 3 years, being the time required for realisation of the loans granted for the purchase of 2 wheelers/Other Assets.

Accordingly, the borrowings taken from the banks and other sources repayable within a period of the operating cycle of 3 years are also treated as current liabilities.

In the previous year, the receivables against financing activities beyond the period of 1 year were treated as non-current assets and the borrowings/ other liabilities due to the banks/other institutions beyond the period of 1 year were also treated as non-current liabilities.

The particulars of current and non-current assets/liabilities, following the method adopted during the previous year, are given below for the purpose of information and to know the effect of the change of method adopted with regard to classification of assets and liabilities:

(₹ in '000)

Particulars	2014-15			2013-14		
	Current*	Non- Current	Total	Current*	Non- Current	Total
Assets						
Receivable from Hypothecation	538 60 59	255 84 31	794 44 90	422 57 52	266 03 85	688 61 37
Other Advances	38 25 67	7 84 63	46 10 30	2 00 06	Nil	2 00 06
Total	576 86 26	263 68 94	840 55 20	424 57 58	266 03 85	690 61 43



(₹ in '000)

Particulars	2014-15			2013-14		
	Current*	Non- Current	Total	Current*	Non- Current	Total
Liabilities						
Public Deposits	64 47 56	49 09 97	113 57 53	33 02 44	26 83 75	59 86 19
Debentures	3 11 77	4 48 15	7 59 92	9 06 86	6 76 82	15 83 68
Subordinated Debts	83	4 45 87	4 46 70	83	2 83 02	2 83 85
Loan from Directors	2 73 05	Nil	2 73 05	8 21 30	Nil	8 21 30
Inter Corporate Deposits	1 30 07	Nil	1 30 07	Nil	Nil	Nil
Bank- Loan Facility	552 76 42	30 37 79	583 14 21	453 73 08	35 95 91	489 68 99
Total	624 39 70	88 41 78	712 81 48	50 40 451	72 39 50	576 44 01

* Includes amount already due

Note: The above table includes interest accrued

8. PARTICULARS OF THE LOAN TAKEN FROM DHANLAXMI BANK LIMITED AGAINST THE SELLOUT OF RECEIVABLES FROM FINANCING ACTIVITIES IN FAVOUR OF DHANLAXMI BANK LIMITED

(₹ in '000)

Sl No	Particulars	Amount
1	Total value of the assets covered by the transaction as per the books of accounts of the company	41 39 82
2	Total amount of loan availed from Dhanlaxmi Bank Ltd against the sale of the receivable from Financing activities	37 25 84
3	Minimum Retention Requirement (MRR) provided by the Company for the loan	4 13 98

As per the arrangement for the above mentioned loan transaction, the Company received an amount of ₹ 37 25 84 thousand from the bank repayable in 34 monthly instalments.

The rate of interest payable for the loan is 13% per annum on the diminishing balance.

The book debts, being Receivables from Financing Activities, for an amount of ₹ 37 25 84 thousand were assigned by the Company in favour of the bank. Accordingly the amount shown in the Balance Sheet under Receivables from Financing Activities is net off the Receivables from Financing Activities of ₹ 41 39 82 thousand assigned in favour of the bank less minimum retention requirement of ₹ 4 13 98 thousand provided by the company.

Accordingly in the Balance Sheet, the amount of ₹ 71 05 thousand (Gross Receivables is ₹ 78 95 thousand) outstanding against the loan received from Dhanlaxmi Bank Ltd. is reduced from the Gross Receivables by way of Hypothecation loans and the net amount of ₹ 7 82 62 52 thousand is shown as Receivables from Financing Activities.

The management is of the opinion that this is a regular loan transaction and hence does not come under the classification of securitization as prescribed in Circular No. DNBS.(PD).NO.301/3.10.01/2012-13 dated 21.08.2012 issued by Reserve Bank of India.

However, the full particulars regarding the transaction are furnished as a matter of abundant caution and with a view to ensure more transparency in relation to disclosures to be made in the Financial Statements as per the RBI Guidelines.

Refer Note No. 2.16 Receivables from Financing Activities



9. PARTICULARS OF THE BUYOUT OF RECEIVABLES FROM OTHER NBFCs

(₹ in '000)			
SI No	Name of the NBFC	Particulars	Amount
1	Muthoot Fincorp Ltd.*	Total value of the assets covered by the transaction as per the books of accounts of the Company	31 57 86
		Total amount of Loan disbursed to Muthoot Fincorp Limited against the purchase of receivable from Micro Finance Portfolio	29 99 97
		Minimum Retention Requirement (MRR) retained by the purchaser	1 57 89
		Door-to-Door maturity of the pool	22 months
2	Finvent Finance and Investments Ltd.	Total value of the assets covered by the transaction as per the books of accounts of the Company	4 73 42
		Total amount of Loan disbursed to Finvent Finance and Investments Ltd against the purchase of receivable from Two Wheeler Portfolio	4 32 15
		Minimum Retention Requirement (MRR) retained by the purchaser	41 27
		Door-to-Door maturity of the pool	30 months
3	Chaitanya India Fin Credit Pvt. Ltd.	Total value of the assets covered by the transaction as per the books of accounts of the Company	2 95 56
		Total amount of Loan disbursed to Chaitanya India Fin Credit Pvt. Ltd. against the purchase of receivable from Two Wheeler Portfolio	2 79 76
		Minimum Retention Requirement (MRR) retained by the purchaser	15 80
		Door-to-Door maturity of the pool	20 months

*Muthoot Fincorp Ltd. is a Related Concern.

This amount represents the balance collectable against the Loan Buyout transaction concluded during the year between the Company and Muthoot Fincorp Ltd. (Micro-Finance Division). In this transaction, advance was given against the portfolio of loans bought from Muthoot Fincorp Ltd. at an IRR of 16% per annum and Muthoot Fincorp Ltd. was appointed as Agents for collecting the due amount and paying the same to the Company.

The book debts have been assigned by the above said Companies in favour of the Company. Accordingly the amounts against the book debts are shown in the Balance Sheet under the head Receivables from Financing Activities.

Refer Note No. 2.16 Receivables from Financing Activities.

10. EMPLOYEES DRAWING REMUNERATION IN EXCESS OF ₹ 5 LAKHS PER MONTH FOR PART OR WHOLE OF THE YEAR

(i) Mr. Thomas George Muthoot, Managing Director, was paid Salary and allowances of ₹ 160 62 thousand, during the year ended 31st March, 2015 (2014: ₹ 161 65 thousand).

(ii) Mr. R. Manomohanan, Chief Executive Officer, was paid salary, allowances and commission on profits of ₹ 1 08 19 thousand during the year ended 31st March, 2015. (2014: ₹ 108 55 thousand).



11. EARNING PER SHARE

Particulars	As at	
	31-Mar-15	31-Mar-14
Net profit or loss for the year attributable to equity shareholders (in ₹ '000)	22 29 15	22 20 56
Weighted average number of equity shares (in '000)	1 24 73	1 24 73
Basic Earnings per share	17.87	17.80

12. CONTINGENT LIABILITIES NOT PROVIDED FOR

(₹ in '000)

Particulars	As at	
	31-Mar-15	31-Mar-14
Income Tax issues where the Company is in appeal	23 58	23 58

The Company is of the opinion that the above demands are not sustainable and expects to succeed in its appeals / defense.

13. GENERAL

(i) Some of Receivables and Payables, Loans and Advances, Hypothecation Loans, Deposits, Secured Debentures and Unsecured Loans are subject to confirmation/reconciliation due to non receipt of the statement of accounts and confirmation letters. Necessary adjustments, if any, in the accounts will be made on completion of the reconciliation/ receipt of confirmation letters/statement of accounts.

(ii) Amount Payable To Micro, Small and Medium Enterprises

There is no Micro, Small and Medium Enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006 to whom the Company owes dues on account of Principal amount together with interest and accordingly no additional disclosures have been made.

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

(iii) Particulars Showing Maturity Pattern of Secured Privately Placed Redeemable Non Convertible Debentures

Secured by a charge on all movable assets, book debts, receivables and advances including loan against gold created by the Company.

(₹ in '000)

Series No.	Financial Year of Maturity	Number of Debentures (in No.'s)	Amount
B	2014-15	10	10
	Total	10	10
E	2014-15	2 78	2 78
	2015-16	6	6
	Total	2 84	2 84
F	2015-16	18 49	18 49
	Total	18 49	18 49
G	2015-16	12 52	12 52
	Total	12 52	12 52



(₹ in '000)

Series No.	Financial Year of Maturity	Number of Debentures (in No.'s)	Amount
H	2010-11	2	2
	2015-16	7 93	7 93
	2016-17	30 68	30 68
	Total	38 63	38 63
I	2015-16	13 90	13 90
	2016-17	11 65	11 65
	Total	25 55	25 55
J	2011-12	11	11
	2016-17	25 28	25 28
	Total	25 39	25 39
K	2011-12	2	2
	2015-16	50	50
	2016-17	4 62	4 62
	Total	5 14	5 14
M	2012-13	60	60
	2014-15	10	10
	2016-17	58 59	58 59
	2017-18	25 00	25 00
	Total	84 29	84 29
N	2012-13	38	38
	2014-15	12	12
	2015-16	35 43	35 43
	2017-18	86 17	86 17
	Total	1 22 10	1 22 10
P	2013-14	1 19	1 19
	2015-16	39 08	39 08
	2017-18	4 00	4 00
	Total	44 27	44 27
R	2013-14	7 32	7 32
	2014-15	2 45	2 45
	2015-16	86 07	86 07
	2016-17	36 76	36 76
	2018-19	8	8
	Total	1 32 68	1 32 68
	GRAND TOTAL	5 12 00	5 12 00



Summary of Year Wise Maturity Pattern of Debentures

(₹ in '000)

Financial Year of Maturity	Amount
2010-11	2
2011-12	13
2012-13	98
2013-14	8 51
2014-15	5 55
2015-16	2 13 98
2016-17	1 67 58
2017-18	1 15 17
2018-19	8
Total	5 12 00

(iv) Cost Insurance Freight (CIF) value of imports - NIL

(v) Expenditure in foreign currency - NIL

(vi) Earnings in Foreign Currency - NIL

14. REPORTING ON FRAUD

During the year there have been certain instances of fraud on the Company by employees, where in hypothecation loans related misappropriations or cash embezzlements have occurred for amounts aggregating to ₹ 3 79 thousand. The Company recovered ₹ 3 33 thousand. The Company is in the process of recovering the balance amounts also from the concerned employees and taking legal actions wherever possible.

15. DISCLOSURE AS REQUIRED IN TERMS OF PARAGRAPH 13 OF NON-BANKING FINANCIAL COMPANIES PRUDENTIAL NORMS (RESERVE BANK) DIRECTIONS, 2007.

Liabilities side:

1. Loans and advances availed by the NBFC inclusive of interest accrued thereon but not paid:

(₹ in '000)

Sl No	Particulars	Amount Outstanding	Amount Overdue
a)	Debentures : Secured	7 59 92	19 66
	: Unsecured	Nil	Nil
	(Other than falling within the meaning of Public Deposits)		
b)	Deferred Credits	Nil	Nil
c)	Term Loans		
	Dhanlaxmi Bank Ltd.	28 36 65	Nil
	YES Bank Ltd.	15 25 48	Nil
	IDBI Bank Ltd.	20 00 00	Nil
d)	Inter-Corporate Loans and Borrowings	1 30 07	Nil
e)	Commercial Paper	Nil	Nil
f)	Public Deposits	113 57 53	3 46 56



(₹ in '000)

SI No	Particulars	Amount Outstanding	Amount Overdue
g)	Other loans		
	Sub Debt	4 46 70	Nil
	Working Capital Demand Loan		
	ICICI Bank Ltd	25 00 00	Nil
	HDFC Bank Ltd	20 07 89	Nil
	State Bank of India Ltd	90 89 84	Nil
	State Bank of Travancore Ltd	109 07 51	Nil
	Kotak Mahindra Bank Ltd	15 02 90	Nil
	IndusInd Bank Ltd	9 50 00	Nil
	Federal Bank Ltd	12 11 21	Nil
	State Bank of Hyderabad Ltd	34 95 10	Nil
	YES Bank Ltd	10 00 00	Nil
	Cash Credit		
	Federal Bank Ltd	2 82 68	Nil
	Andhra Bank Ltd	44 81 44	Nil
	State Bank of India Ltd	32 57	Nil
	Dhanlaxmi Bank Ltd	9 99 12	Nil
	City Union Bank Ltd	9 93 46	Nil
	Corporation Bank Ltd	29 58 58	Nil
	South Indian Bank Ltd	66 56 55	Nil
	Lakshmi Vilas Bank Ltd	24 59 46	Nil
	Axis Bank Ltd	4 23 76	Nil
	Loans and Advances From Directors (Unsecured)	2 73 05	Nil
	Total	712 81 47	3 66 22

Note 1 - Overdue of ₹ 19 66 thousand in respect of secured debentures represents debentures for which payments could not be made as claims were not received from debenture holders.

Note 2 - Overdue of ₹ 3 46 56 thousand in public deposits includes deposits of ₹ 1 59 79 thousand pending renewal and deposits of ₹ 1 86 77 thousand for which payments could not be made as claims were not received from deposit holders.

Note 3 - The above mentioned Loans do not include the loan of ₹ 71 05 thousand (Balance Outstanding as on 31.03.2014; ₹ 10 92 21 thousand) due to Dhanlaxmi Bank Ltd against the Sellout of Receivables from Financing Activities in favour of Dhanlaxmi Bank Ltd

Note 4- Balance outstanding against amounts borrowed from banks is inclusive of interest accrued but not due.

2.Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):

(₹ in '000)

SI No	Particulars	Amount Outstanding	Amount Overdue
a)	In the form of Unsecured debentures	Nil	Nil
b)	In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	Nil	Nil
c)	Other Public Deposits	1 13 57 53	3 46 56



Assets Side:

3. Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:

(₹ in '000)

Sl No	Particulars	Amount Outstanding
a)	Secured	38 82 39
b)	Unsecured	7 27 92

4. Break-up of Leased Assets and Stock on Hire and Hypothecation Loans counting towards EL/HP activities:

(₹ in '000)

Sl No	Particulars	Amount Outstanding
(i)	Lease assets including lease rentals under sundry debtors	
	(a) Financial lease	Nil
	(b) Operating lease	Nil
(ii)	Stock on hire including hire charges under sundry debtors:	
	(a) Assets on hire	Nil
	(b) Repossessed Assets	Nil
(iii)	Hypothecation loans counting towards EL/HP activities	
	(a) Loans where assets have been repossessed	1 46 57
	(b) Loans other than (a) above	7 94 44 90

5. Break-up of Investments

(₹ in '000)

Sl No	Particulars	Amount Outstanding	Market value
1	Current Investments: -		
	Quoted: -		
	(i) Shares:		
	(a) Equity	28 52	63 46
	(b) Preference	Nil	Nil
	(ii) Debentures and Bonds	Nil	Nil
	(iii) Units of Mutual Funds	Nil	Nil
	(iv) Government Securities	Nil	Nil
	(v) Others	Nil	Nil
2	Unquoted: -		
	(i) Shares:		
	(a) Equity	Nil	Nil
	(b) Preference	Nil	Nil
	(ii) Debentures and Bonds	Nil	Nil
	(iii) Units of Mutual Funds	Nil	Nil
	(iv) Government Securities	Nil	Nil
	(v) Others	Nil	Nil



(₹ in '000)

SI No	Particulars	Amount Outstanding	Market value
1	Long Term investments: -		
	Quoted: -		
	(i) Shares:		
	(a) Equity	Nil	Nil
	(b) Preference	Nil	Nil
	(ii) Debentures and Bonds	Nil	Nil
	(iii) Units of Mutual Funds	Nil	Nil
	(iv) Government Securities	13 24 94	13 80 35
	(v) Others		
	Gold Exchange traded fund of UTI	19	49
2	Unquoted: -		
	(i) Shares:		
	(a) Equity	Nil	Nil
	(b) Preference	Nil	Nil
	(ii) Debentures and Bonds	Nil	Nil
	(iii) Units of Mutual Funds	Nil	Nil
	(iv) Government Securities	Nil	Nil
	(v) Others	Nil	Nil
	Total	13 53 65	14 44 30

6. Borrower group-wise classification of all leased assets, stock – on – hire and loans and advances:

(₹ in '000)

SI No	Category	Amount Net of Provisions		
		Secured	Unsecured	Total
1	Related Parties			
	(a) Subsidiaries	Nil	Nil	Nil
	(b) Companies in the same group*	29 99 97	Nil	29 99 97
	(c) Other related parties	Nil	Nil	Nil
2	Other than related parties	7 98 66 34	7 27 59	8 05 93 93
	Total	8 28 66 31	7 27 59	8 35 93 90

* This amount represents the balance collectable against the Loan Buyout transaction concluded during the year between the Company and Muthoot Fincorp Ltd (Micro-Finance Division). In this transaction, advance was given against the portfolio of loans bought from Muthoot Fincorp Ltd at an IRR of 16% per annum and Muthoot Fincorp Ltd was appointed as Agents for collecting the due amount and paying the same to the Company.



7. Investors group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

(₹ in '000)

SI No	Category	Market Value/ Break-up or fair value or NAV	Book Value (Net of provisions)
1	Related Parties		
	(a) Subsidiaries	Nil	Nil
	(b) Companies in the same group	Nil	Nil
	(c) Other related parties	Nil	Nil
2	Other than related parties	14 44 30	13 53 65
	Total	14 44 30	13 53 65

8. Other Information:

(₹ in '000)

SI No	Particulars	Amount Outstanding
(i)	Gross Non-Performing Assets	
	(a) Related Parties	Nil
	(b) Other than related parties	32 68 64
(ii)	Net Non –Performing Assets	
	(a) Related Parties	Nil
	(b) Other than related parties	27 53 75
(iii)	Assets acquired in satisfaction of debt (After provision of ₹93 Lakhs for diminution in the value of repossessed assets)	53 57

9. Asset Classification

(₹ in '000)

SI No	Category	Amount
1	Standard	808 57 95
2	Substandard	30 21 56
3	Doubtful	232 86
4	Loss Assets	14 22
	Total	841 26 59

16. DISCLOSURES REQUIRED IN ACCORDANCE WITH REVISED REGULATORY FRAMEWORK ISSUED BY RBI FOR NON BANKING FINANCIAL COMPANIES (NBFC'S) ON NOVEMBER 10, 2014 AND THE RELATED NOTIFICATION DATED MARCH 27, 2015 (COLLECTIVELY REFERRED TO AS 'THE FRAMEWORK')

A. Capital

Particulars	March 31, 2015	March 31, 2014
i) Capital to Risk Weighted Asset Ratio (%)	15.97%	17.32%
ii) Capital to Risk Weighted Asset Ratio - Tier I Capital (%)	15.40%	16.79%
iii) Capital to Risk Weighted Asset Ratio - Tier II Capital (%)	0.57%	0.54%
iv) Amount of subordinated debts raised as Tier- II Capital (Discounted value) (₹ in 000s)	2 76 08	2 06 66
v) Amount raised by issue of Perpetual Debt Instruments	Nil	Nil



Discounted value of Subordinated debts

(₹ in '000)

Remaining maturity of Instruments	Rate of Discount	March 31, 2015		March 31, 2014	
		Amount	Discounted Value	Amount	Discounted Value
Upto 1 year	100%	Nil	Nil	Nil	Nil
More than 1 year but upto 2 years	80%	Nil	Nil	Nil	Nil
More than 2 years but upto 3 years	60%	Nil	Nil	Nil	Nil
More than 3 years but upto 4 years	40%	2 58 32	1 54 99	Nil	Nil
More than 4 years but upto 5 years	20%	Nil	Nil	2 58 32	2 06 66
More than 5 years	0%	1 21 09	1 21 09	Nil	Nil
Total		3 79 41	2 76 08	2 58 32	2 06 66

B. Investments

(₹ in '000)

Sl No	Particulars	March 31, 2015	March 31, 2014
(1)	Value of Investments		
	(i) Gross Value of Investments		
	(a) In India	13 53 66	7 07 23
	(b) Outside India	Nil	Nil
	(ii) Provisions for Depreciation		
	(a) In India	Nil	Nil
	(b) Outside India	Nil	Nil
	(iii) Net Value of Investments		
	(a) In India	13 53 66	7 07 23
	(b) Outside India	Nil	Nil
(2)	Movement of provisions held towards depreciation on investments		
	(i) Opening balance	Nil	Nil
	(ii) Add : Provisions made during the year	Nil	Nil
	(iii) Less : Write-off / write- back of excess provisions during the year	Nil	Nil
	(iv) Closing balance	Nil	Nil

C. Derivatives

(i) Forward Rate Agreement or Interest Rate Swap

(₹ in '000)

Sl No	Particulars	2014-2015	2013-2014
(1)	The notional principal of swap agreements	Nil	Nil
(2)	Losses which would be incurred if counter parties failed to fulfill their obligations under the agreements	Nil	Nil
(3)	Collateral required by the NBFC upon entering into swaps	Nil	Nil
(4)	Concentration of credit risk arising from the swaps	Nil	Nil
(5)	The Fair value of the swap book	Nil	Nil



(ii) Exchange Traded Interest Rate (IR) Derivatives

(₹ in '000)

SI No	Particulars	Amount
(i)	Notional principal amount of exchange traded IR Derivatives undertaken during the year (Instrument-wise)	Nil
(ii)	Notional principal amount of exchange traded IR Derivatives outstanding as on 31 st March, 2015 (Instrument Wise)	Nil
(iii)	Notional principal amount of exchange traded IR Derivatives outstanding and not "highly effective" (Instrument wise)	Nil
(iv)	Mark- to market value of exchange traded IR derivatives outstanding and not "highly effective" (Instrument wise)	Nil

(iii) Disclosures on Risk Exposure in Derivatives

Qualitative Disclosures- Nil

Quantitative Disclosures

(₹ in '000)

SI No	Particulars	Currency Derivatives	Interest Derivatives
(i)	Derivatives (Notional Principal Amount) For Hedging	Nil	Nil
(ii)	Marked to Market Positions [1] (a) Asset (+) (b) Liability (-)	Nil Nil	Nil Nil
(iii)	Credit Exposure [2]	Nil	Nil
(iv)	Unhedged Exposures	Nil	Nil

D. Disclosures relating to Securitization

(A) SPVs and Minimum Retention Requirements

(₹ in '000)

SI No	Particulars	No/Amount
1	No. of SPVs sponsored by the NBFC for securitisation transactions*	Nil
2	Total amount of securitised assets as per books of the SPVs sponsored	Nil
3	Total amount of exposures retained by the NBFC to comply with Minimum Retention Requirement (MRR) as on the date of balance sheet (a) Off-balance sheet exposures First loss Others (b) On-balance sheet exposures First loss Others	 Nil Nil Nil Nil
4	Amount of exposures to securitisation transactions other than Minimum Retention Requirement (MRR)	



(₹ in '000)

SI No	Particulars	Amount
(a)	Off-Balance Sheet exposures	
	(i) Exposure to own securitizations	
	First loss	Nil
	Others	Nil
	(ii) Exposure to third party securitisations	
	First loss	Nil
	Others	Nil
(b)	On-Balance Sheet exposures	
	(i) Exposure to own securitisations	
	First loss	Nil
	Others	Nil
	(ii) Exposure to third party securitisations	
	First loss	Nil
	Others	Nil

*Only the SPVs relating to outstanding securitisation transactions may be reported here

(B) Details of Financial Assets sold to Securitisation or Reconstruction Company for Asset Reconstruction

(₹ in '000)

SI No	Particulars	2014-2015	2013-2014
(i)	Number of Accounts	Nil	Nil
(ii)	Aggregate value(Net of Provisions) of Accounts sold to SC/ RC	Nil	Nil
(iii)	Aggregate Consideration	Nil	Nil
(iv)	Additional Consideration Realized in respect of Accounts transferred in earlier years	Nil	Nil
(v)	Aggregate gain/ loss over net book value	Nil	Nil
(vi)	Balance outstanding as at the end of the year	Nil	Nil

(C) Details of Assignment Transactions undertaken by NBFCs

(₹ in '000)

SI No	Particulars	2014-2015	2013-2014
(i)	Number of Accounts	5126	5126
(ii)	Aggregate Value (Net of Provisions) of accounts sold	41 39 82	41 39 82
(iii)	Amount of Exposures retained by the Company towards MRR*	4 13 98	4 13 98
(iv)	Amount of exposures for assignment other than MRR*	37 25 84	37 25 84
(v)	Additional Consideration realized in respect of accounts transferred in earlier years	Nil	Nil
(vi)	Aggregate gain/ loss over net book value	Nil	Nil
(vii)	Balance outstanding as at the end of the year	71 05	10 92 21

*MRR means Minimum Retention Requirement



E. Details of Non Performing Financial Assets purchased or sold

A. Details of Purchase of Non Performing Financial Assets

(₹ in '000)

SI No	Particulars	2014-2015	2013-2014
1	(a) Number of Accounts Purchased during the year	Nil	Nil
	(b) Aggregate Outstanding	Nil	Nil
2	(a) Of these, Number of Accounts restructured during the year	Nil	Nil
	(b) Aggregate Outstanding	Nil	Nil

B. Details of Sale of Non Performing Financial Assets

(₹ in '000)

SI No	Particulars	2014-2015	2013-2014
1	Number of Accounts sold	Nil	Nil
2	Aggregate Outstanding	Nil	Nil
3	Aggregate Consideration Received	Nil	Nil

F. Asset Liability Management-Maturity Pattern of certain items of Assets and Liabilities

(₹ in '000)

Particulars	Upto 30/31 days	Over 1 Month upto 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 Months upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
Assets									
Hypothecation Receivables	107 63 14	46 11 38	45 24 88	128 76 80	210 84 39	255 46 99	37 32	Nil	794 44 90
Advances	4 58 18	3 79 68	3 58 54	8 71 40	17 57 87	7 42 23	42 40	Nil	46 10 30
Total	112 21 32	49 91 06	48 83 42	137 48 20	228 42 26	262 89 22	79 72	Nil	840 55 20
Investments	28 52	Nil	Nil	Nil	Nil	Nil	8 35 44	4 89 69	13 53 65
Total	28 52	Nil	Nil	Nil	Nil	Nil	8 35 44	4 89 69	13 53 65
Borrowings									
Deposits	9 22 56	7 25 80	5 06 39	6 87 51	36 05 30	40 06 24	9 03 73	Nil	113 57 53
Debentures	38 40	13 95	50 98	55 23	1 53 21	4 48 05	10	Nil	7 59 92
Sub Debts	72	Nil	11	Nil	Nil	Nil	3 13 43	1 32 44	4 46 70
Loan from Directors	Nil	Nil	Nil	Nil	2 73 05	Nil	Nil	Nil	2 73 05
Inter Corporate Deposit	Nil	Nil	1 30 07	Nil	Nil	Nil	Nil	Nil	1 30 07
Bank Loan	29 12 28	111 56 55	79 85 45	175 94 99	156 27 15	30 37 79	Nil	Nil	583 14 21
Total	38 73 96	118 96 30	86 73 00	183 37 73	196 58 71	74 92 08	12 17 26	1 32 44	712 81 48



G. Exposures

(I) Exposure to Real Estate Sector

(₹ in '000)

Category	2014-15	2013-14
(a) Direct Exposure		
(i) Residential Mortgages *		
Lending fully secured by mortgages on Residential property that is or will be occupied by the borrower or that is rented	Nil	Nil
(ii) Commercial Real Estate		
Lending Secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi tenanted commercial premises, industrial or warehouse space, Hotels, Land Acquisition, Development and Construction, etc.) Exposure would also include non-fund based limits.	Nil	Nil
(iii) Investments in Mortgage Backed Securities (MBS) and other securitized exposures-		
(a) Residential	Nil	Nil
(b) Commercial Real Estate	Nil	Nil
Total Exposure to Real Estate Sector	Nil	Nil

* The Company has also lent unsecured loans to Real Estate Sector amounting to ₹ 4 06 40 thousand

(II) Exposure to Capital Market

(₹ in '000)

Sl No	Particulars	2014-2015	2013-2014
(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;	28 52	22 09
(ii)	Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds;	Nil	Nil
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	Nil	Nil
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds, i.e where the primary security other than shares or convertible bonds or convertible debentures or units of equity oriented mutual funds does not fully cover the advances;	Nil	Nil
(v)	Secured and unsecured advances to stock brokers and guarantees issued on behalf of stock brokers and market makers;	Nil	Nil
(vi)	Loans sanctioned to corporates against the security of shares or bonds or debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	Nil	Nil
(vii)	Bridge Loans to companies against expected equity flows or issues;	Nil	Nil
(viii)	All exposures to Venture Capital Funds (both registered and unregistered)	Nil	Nil
	Total Exposure to Capital Market	28 52	22 09

(III) Unsecured Advances

The Unsecured Loans against Demand Promissory Notes (DPN) executed by the borrowers and outstanding amount is ₹ 7 27 92 thousand (March 31, 2014; ₹ 1 34 51 thousand).



- H. Details of financing of parent company products - NIL
 I. Details of Single Borrower Limit (SBL) / Group Borrower Limit (GBL) exceeded by the company - NIL
 J. Registration obtained from other financial sector regulators - NIL
 K. Disclosure of Penalties imposed by Reserve Bank of India and other regulators - NIL
 L. Ratings Assigned by Credit Rating Agencies and migration of ratings during the year

Sl No	Name of the Rating Agency	Rated Instrument	Rating
1	CRISIL	Short-Term Debts	CRISIL A1
2	CRISIL	Public Deposits	FA Stable
3	CRISIL	Bank Loan Facilities	CRISIL A/Stable

M. Provisions and Contingencies

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Statement of Profit and Loss

(₹ in '000)

Provisions and Contingencies	2014-2015	2013-2014
Provisions for depreciation on Investment	Nil	Nil
Provision towards NPA	3 24 75	1 23 89
Provision made towards Income tax	13 23 00	11 78 00
Other Provision and Contingencies	Nil	89 25
Provision for Standard Assets	34 11	55 89
Total	16 81 86	14 47 03

N. Concentration of Deposits, Advances, Exposures and NPAs

(a) Concentration of Deposits (for deposit taking NBFCs)

(₹ in '000)

Total Deposits of twenty largest depositors	4 07 75
Percentage of Deposits of twenty largest depositors to Total Deposits of the NBFC	3.71%

(b) Concentration of Advances

(₹ in '000)

Total Advances to twenty largest borrowers	45 32 74
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	5.47%

(c) Concentration of Exposures

(₹ in '000)

Total Exposure to twenty largest borrowers / customers	45 32 74
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	5.47%

(d) Concentration of NPAs

(₹ in '000)

Total Exposure to top four NPA accounts	6 41
---	------



(e) Sector-wise NPAs

SI No	Sector	Percentage of NPAs to Total Advances in that sector
1	Agriculture & allied activities (Against Gold Security)	100%
2	MSME	0%
3	Corporate borrowers	0%
4	Services	0%
5	Unsecured personal loans	0.03%
6	Auto loans	4.16%
7	Other personal loans	0%

(f) Movement of NPAs

(₹ in '000)

SI No	Particulars	2014- 2015	2013- 2014
(i)	Net NPAs to Net Advances (%)	3.32%	1.96%
(ii)	Movement of NPAs (Gross)		
(a)	Opening balance	15 40 33	4 55 53
(b)	Additions during the year	34 15 40	16 65 94
(c)	Reductions during the year	16 87 09	5 81 14
(d)	Closing balance	32 68 64	15 40 33
(iii)	Movement of Net NPAs		
(a)	Opening balance	13 50 19	3 97 97
(b)	Additions during the year	30 90 57	15 31 35
(c)	Reductions during the year	16 87 01	5 79 13
(d)	Closing balance	27 53 75	13 50 19
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
(a)	Opening balance	1 90 14	57 56
(b)	Provisions made during the year	3 24 83	1 34 59
(c)	Write-off/write-back of excess provisions	8	2 01
(d)	Closing balance	5 14 89	1 90 14

O. Overseas Assets (for those with joint ventures and subsidiaries abroad) - NIL

P. Off-balance sheet SPVs sponsored
(which are required to be consolidated as per accounting norms) - NIL

Q. Customer Complaints pertaining to the Financial Year

SI No	Particulars	Number
(a)	No. of complaints pending at the beginning of the year	Nil
(b)	No. of complaints received during the year	55
(c)	No. of complaints redressed during the year	52
(d)	No. of complaints pending at the end of the year	3



R. Restructuring of Advances

(₹ in '000)

Sl No	Particulars	Type of restructuring	Under CDR mechanism					Under SME Debt Restructuring Mechanism					Others					Total				
		Asset classification	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total
		Details																				
1	Restructured accounts as on April 1 of the FY(Opening figures)*	No. of borrowers Amount outstanding Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Fresh restructuring during the year	No. of borrowers Amount outstanding Provision thereon	-	-	-	-	-	-	-	-	-	-	4	-	-	-	4	4	-	-	-	4
			-	-	-	-	-	-	-	-	-	-	2 50 69	-	-	-	2 50 69	2 50 69	-	-	-	2 50 69
			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Upgradation to restructured standard category during the FY *	No. of borrowers Amount outstanding Provision thereon	-	-	-	-	-	-	-	-	-	-	4	-	-	-	4	4	-	-	-	4
			-	-	-	-	-	-	-	-	-	-	2 20 00	-	-	-	2 20 00	2 20 00	-	-	-	2 20 00
			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Restructured standard advances which cease to attract higher provisioning and/or additional risk weight at the end of the FY and hence neednot be shown as restructured standard advances at the beginning of the next FY	No. of borrowers Amount outstanding Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Downgradations of Restructured Accounts during the FY	No. of borrowers Amount outstanding Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Write offs Restructured Accounts during the FY	No. of borrowers Amount outstanding Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Restructured accounts as on March 31, 2015 (Closing Figures)**	No. of borrowers Amount outstanding Provision thereon	-	-	-	-	-	-	-	-	-	-	3	-	-	-	3	3	-	-	-	3
			-	-	-	-	-	-	-	-	-	-	30 69	-	-	-	30 69	30 69	-	-	-	30 69
			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

* Includes amount repaid for accounts closed during the year.

** Excluding the figures of Standard Restructured Advances which does not attract higher provisioning or risk weight (if applicable).



17. DISCLOSURE PURSUANT TO CLAUSE 32 AND 41 OF THE LISTING AGREEMENT

(₹ in '000)

SI No	Loans & Advances	Amount outstanding as at 31 st March, 2015	Maximum amount outstanding during the year ended 31 st March, 2015
(A)	To Subsidiaries	NA	NA
(B)	To Associate/Joint Venture	NA	NA
(C)	To Firms/Companies in which directors are interested (other than (A) & (B) above)	NA	NA
(D)	Where there is	NA	NA
	(i) No repayment schedule	NA	NA
	(ii) Repayment beyond seven years	NA	NA
	(iii) Interest below the rate specified in the Companies Act	NA	NA

For K.VENKATACHALAM AIYER & CO.
 CHARTERED ACCOUNTANTS
 Firm Regn No: 004610 S

For and on behalf of the Board of Directors of
MUTHOOT CAPITAL SERVICES LIMITED

CA A. GOPALAKRISHNAN
 PARTNER
 Membership Number: 18159

THOMAS JOHN MUTHOOT
 CHAIRMAN

THOMAS GEORGE MUTHOOT
 MANAGING DIRECTOR

THOMAS MUTHOOT
 DIRECTOR

Place - Kochi
 Date - 25th May, 2015

VINODKUMAR M. PANICKER
 CHIEF FINANCE OFFICER

SYAM KUMAR R.
 COMPANY SECRETARY & HEAD-GOVERNANCE

BOARD OF DIRECTORS



Thomas John Muthoot
Chairman



Thomas George Muthoot
Managing Director



Thomas Muthoot
Director



A. P. Kurian
Director



R. K. Nair
Director



Radha Unni
Director

CHIEF EXECUTIVE OFFICER



R. Manomohan

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