

ANNUAL REPORT | 2016-17



BANKING ON WOMEN:
THE PATH TO FINANCIAL INCLUSION.



MUTHOOT PAPPACHAN

1927 - 2004

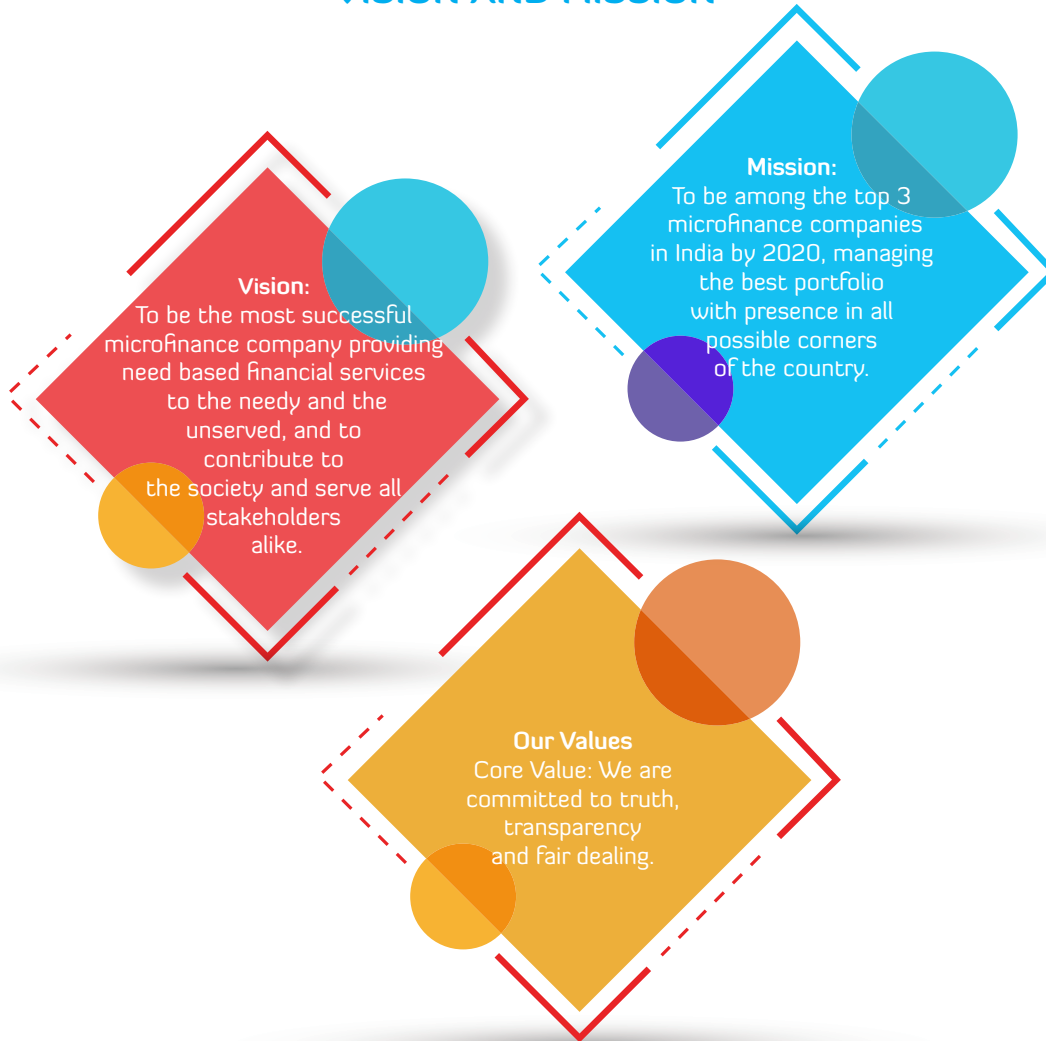
FOUNDER CHAIRMAN

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

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VISION AND MISSION



Integrity and Quality

We provide sound advice and adopt the finest practices keeping the welfare of our customers in mind. Total customer satisfaction and growth are our objectives. Every member of the Group is responsible for upholding our principles in the workplace. We rigorously adhere to applicable laws, rules, regulations, codes and standards of good business practices.

Social responsibility

We promote sustainable development, responsibility towards the environment and upliftment of local communities in areas we operate. We identify and promote local talent. We believe in respecting the individual and encourage continuous learning.

Our people

We believe that people are our strength. Fostering teamwork, nurturing creativity, encouraging hard work, dedication, commitment and rewarding excellence are key elements of our human resource initiatives.

Director's Statement

I am pleased to report the financial results of Muthoot Microfin for the Financial Year ended March 2017. This has been another great year of achievements and accomplishments for the company. I feel proud that Muthoot Microfin upholds Muthoot Pappachan Group's philosophy of serving the common man.

Muthoot Microfin (MML) is a young company growing at a very fast pace. I am happy to inform you that Muthoot Microfin is now the 4th largest NBFC-MFI in the country and the largest NBFC-MFI head quartered in Kerala.

The whole microfinance industry in India went through a tough phase in the third quarter of the fiscal, post demonetisation, however it was the best phase to review and test our system and processes. We came through the phase unscathed and further strengthening our system to improve the process, policies and transparency in our business. Industry reports indicates that MML performed the fastest recovery in the industry post demonetisation.

We crossed a distinctive milestone in the period when Creation Investments India LLC invested in MML. The Private Equity investment by the reputed international investor proves the trust of investors in MPG, our philosophy of work and the transparency in the system we follow.

The company also recorded incredible growth in the period. The total loan disbursement for the year ended March 31, 2017 jumped 165% to ₹ 2028 crores compared to ₹ 765 crores previous fiscal. The company's total revenue for FY 2016-17 touched ₹ 244 crores as compared to ₹ 52 crores in FY 2015-16. And the company's Asset Under Management reached ₹ 1774 crore from ₹ 653 crore in the previous year, a growth of 171% year on year. Eventually, in the Financial Year 2016-'17, the net profit (PAT) climbed 293.6% to ₹ 37.04 crores, as compared to ₹ 9.41 crores for the previous financial year.

During the fiscal, the company further expanded its operations to 11 states across the country. MML as of 31st March 2017 operates with 399 branches throughout the states serving 7,65,541 active clients. Remarkably the staff strength also grew to 4132 from 1179 in the last Financial Year.

Apart from the financial figures, being a social business we strive our best to make a positive impact in our clients. MML continuously engages with clients aimed to encourage the economic and social sustainability in society by empowering women through skill trainings and financial literacy. Furthermore, the initiatives strive to strike a balance between economic, environmental and social imperatives. While Muthoot undertakes programmes based on the identified needs of the community; skill training, financial literacy and healthcare remains our priority. More than 5000 women directly benefitted from the various skill training workshops, financial literacy trainings and healthcare camps organised by the institution during the financial year.

Fintech solutions are revolutionising the operating model employed by financial services organisations. In the Financial Year 2017-18, we will use technology and digital solutions to expand our outreach, agility and to reduce administrative expenses. As of digitalisation measures, the company introduced Aadhar based KYC updation and biometric credit check & approval system in its IT infrastructure. This advanced and efficient use of technology will help the company further reduce cost, improve efficiency and increase productivity.

The institution continues to strengthen its audit framework and hasn't compromised in complying with all the statutory regulations mandated by Ministry of Corporate Affairs, Reserve Bank of India and other regulators.

I must appreciate the young, dedicated and vibrant team of Muthoot Microfin. They are passionate and enthusiastic. They have shown it at all the endeavours they have undertaken — let it be business, sports or in cultural events. MML has constantly helped Muthoot Pappachan Group build the reputation and brand goodwill. I am sure the institution is poised to grow and achieve all the targets we have set forth for the future.



Thomas Muthoot

Thomas Muthoot
 Director, Muthoot Microfin Ltd.

CEO's Review

During the Financial Year, MML raised \$20 million Private Equity investment from Creation Investments India LLC—a well-reputed US based investment firm and an active investor in microfinance sector in India. This was the first time Muthoot Pappachan Group received a Private Equity investment. The success of this investment reflects the sentiment, trust and confidence of investors in Muthoot Microfin and potential of microfinance industry in India.

I am also happy to inform that Muthoot Microfin Ltd. is now the 4th largest NBFC-MFI in the country and the largest NBFC-MFI headquartered out of Kerala. During the FY, CRISIL awarded MFR-2 grading for company's operations and assigned long term debt rating of 'A-/Stable' to the company.

During the FY 2016-'17, the company disbursed loans worth ₹2028 crore, a 165% growth over the previous year's disbursement. MML's Asset Under Management rose to ₹1774 crore from ₹653 crore in the previous fiscal, a growth of 171% year on year. Revenue of the company also surged from ₹52 crores to ₹244 crores from the previous scale. Consequently, net profit (PAT) of the company, for the FY 2016-'17 rose to ₹37.04 crore from ₹9.41 crore in the previous fiscal.

During the year company expanded its operations to 11 states and now operates with 399 branches serving 7,65,541 active customers across the country. Employee strength of the company also grew to 4132 from 1179 employees in the previous fiscal.

For FY 2016-17, MML raised funds worth ₹2061 crores from Banks, NBFCs and other FIs. MML now enjoys funding relationship with 33 financial institutions including 12 Public Sector Banks, 15 Private Sector Banks and 6 NBFCs. During the period, the company executed ₹610 crore of PTC transactions, ₹485 crore of DA transactions, ₹205 crore of NCDs and raised Tier-II capital of ₹25 crore.

In the coming year, reforms in financial sector and policy enactments towards financial inclusion by the Government of India will drive overall development and growth in the country. It will also enable revolutionary changes in the microfinance industry. Taking advantage of the most modern infrastructure created by GOI, we would use technology to extend our reach, reduce costs, improve client services and improve risk management. During the year we had introduced Aadhaar linked KYC and biometric credit check mechanism, which effectively cut 2 days' work to few minutes'.

The tough phase of demonetisation has passed and positive impacts of this will be visible from the new Financial Year. Growth is expected to pick up on account of developments in economy and game changing interventions by the Government of India. Introduction of GST and other forward-looking measures taken by the government will create a more conducive market. A better economic environment will also help build a better-quality portfolio in the coming years.

Importantly the company made significant steps towards achieving our aim of catering to the lifecycle needs of our borrowers. Our MSGB portfolio reached ₹181 crore, we financed 130000 solar torches and 40,000 mobile phones. True to the MPG vision, this was made possible by devising and introducing innovative, simple and easily understandable products for the targeted low-income clients.

On compliance side also, your company was rated very highly. During the year, your company received highest Code of Conduct Assessment (COCA) rating 'C1' from CRISIL. The rating reflects robustness of the company's field operations and its strength to manage a large portfolio. MML has been continuously strengthening its audit framework to ensure cent percent transparency in the operations. The company continues to actively engage with industry associations and Self-Regulatory Organisations (SRO) of NBFC-MFIs. We have also ensured highest level of compliance with all regulatory bodies and industry norms.

Muthoot Microfin has a committed team and hugely experienced management & promoter group. With their expertise and commitment, I am convinced that MML can become the leading NBFC-MFI in our country. I am sure MML can be a market leader simultaneously achieving all its social and financial goals.



Sadaf Sayeed

Sadaf Sayeed
CEO - Muthoot Microfin Ltd.

CORPORATE INFO

Board of Directors

Mr. Thomas John Muthoot
 Mr. Thomas George Muthoot
 Mr. Thomas Muthoot
 Mr. Thomas Muthoot John
 Mr. Kenneth Dan Vander Weele
 Mr. Keyur Chandrakant Shah
 Mr. George Lamannil
 Mr. Sabu Zacharias K
 Mr. Maneesh Srivastava

- Additional Director (Appointed on 08.05.2017)
 - Additional Director (Appointed on 08.05.2017)
 - Additional Director (Appointed on 08.05.2017)
 - Additional Director (Appointed on 01.12.2016)
 - Director (Appointed on 27.12.2016)
 - Additional Director (Resigned on 08.05.2017)
 - Director (Resigned on 08.05.2017)
 - Independent Director (Resigned on 08.05.2017)
 - Independent Director (Resigned on 10.03.2017)

Chief Executive Officer

Mr. Sadaf Sayeed

Chief Financial Officer

Mr. Praveen T
 Mr. Seby Cherian

-(Appointed on 26.12.2016)
 -(Resigned on 27.06.2016)

Company Secretary

Ms. Neethu Ajay

Senior Management Team

Mr. Udeesh Ullas
 Mr. Subhransu Pattnayak
 Mr. Senthil V
 Mr. Dileep Pathak

- Vice President, Operations
 - Vice President — HR & Products
 - Sr. Associate Vice President — Agri Business
 - Sr. Associate Vice President — Internal Audit & Risk

Statutory Auditors

M/s. Walker Chandiok & Co., LLP
 Arihant Nitco Park, 7th Floor,
 No. 90, Radhakrishnan Salai,
 Mylapore, Chennai — 600004

Debenture Trustees

Catalyst Trusteeship Limited
 GDA House, First Floor, Plot No. 85
 S. No. 94 & 95, Bhusari Colony (Right), Kothrud
 Pune, Maharashtra — 411038

Secretarial Auditor

PSN & Associates
 Company secretaries
 Sreevalsam, S-116, first floor
 Seevelinagar, Kaithamukku
 Thiruvananthapuram, Kerala-695024

IDBI Trusteeship Services Limited

Asian Bldg., Ground Floor, 17, R.Kamani Marg,
 Ballard Estate, Mumbai, Maharashtra 400001

Internal Auditors

M/s. Thomas Jacob & Co.,
 TC 13/386, MRA 186, Vanchiyoore P.O
 Trivandrum - 695 035

Registrar & Transfer Agent

Karvy Computershare Private Limited
 6th Floor, Karvy Salenium, Tower B,
 Plot 31-32, Gachibowli, Financial Dist.,
 Nanakramguda, Hyderabad 500032

Our Bankers

- ✓ AXIS Bank Ltd
- ✓ Bandhan Bank
- ✓ Bank of Maharashtra
- ✓ Catholic Syrian Bank
- ✓ DCB Bank Limited
- ✓ Dhanlaxmi Bank Ltd
- ✓ HDFC Bank Ltd
- ✓ IDBI Bank Ltd
- ✓ IndusInd Bank Ltd
- ✓ Lakshmi Vilas Bank
- ✓ Oriental Bank of Commerce
- ✓ State Bank of India

- ✓ State Bank (Mauritius) Ltd
- ✓ State Bank of Travancore
- ✓ South Indian Bank
- ✓ SIDBI
- ✓ Syndicate Bank
- ✓ Tamilnad Mercantile Bank
- ✓ The Federal Bank Ltd
- ✓ Union Bank of India
- ✓ United Bank of India
- ✓ Vijaya Bank
- ✓ Yes Bank Ltd

Registered Office

13th Floor, Parinee Crescenzo,
 Bandra Kurla Complex, Bandra East
 Mumbai — 400051

Administrative Office

5th Floor, Muthoot Towers
 M.G Road, Kochi 682035
 Ph: +91 484 4277500
 Email: info@muthootmicrofin.com
 Website: www.muthootmicrofin.com



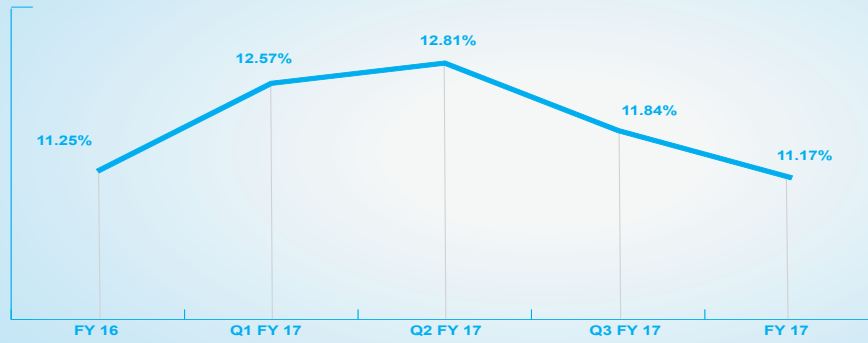
Loan ID : VKNM@581

Hamsath Sathar is a 33-year-old housewife turned small time poultry farmer from Koonamthanam, in Changanacherry, Kottayam district of Kerala. Hamsath's drive to provide for her family didn't just come out of her passion for poultry farming but came out of necessity. Hardly five years ago, when her husband, a daily laborer, alone could no longer support the family due to unstable income, she decided to do something for her family.

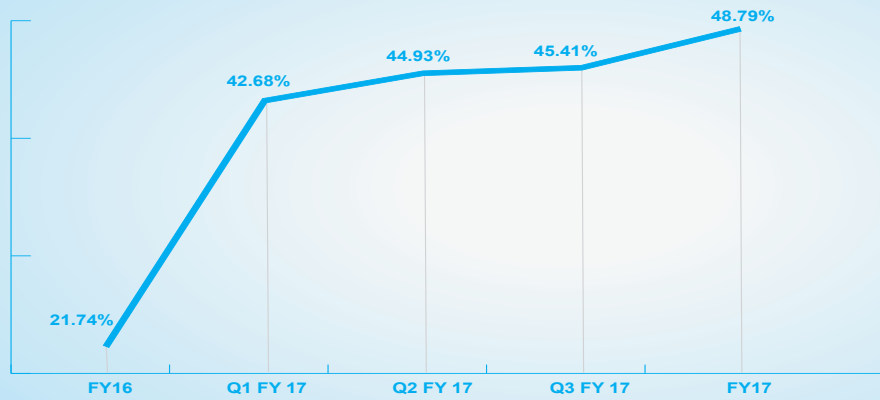
Hamsath used to run a goat farm without much success. When she decided to change her small-time business with the support of Muthoot Microfin, everything changed for good. Hamsath has been a customer of Muthoot Microfin since 2014. She began poultry farming not just with Muthoot's loans but also motivated by the training she received in the trade from the institution. Successful turnaround with chicken farm allowed her to promptly repay the loans. Her daily income from the farm averaged ₹350, enabling her to contribute to the household, particularly expenses related to schooling of children and the everyday needs of the family of five. Like so many of Muthoot's clients, Hamsath has now become the primary breadwinner for her family.

Key Performance Indicators

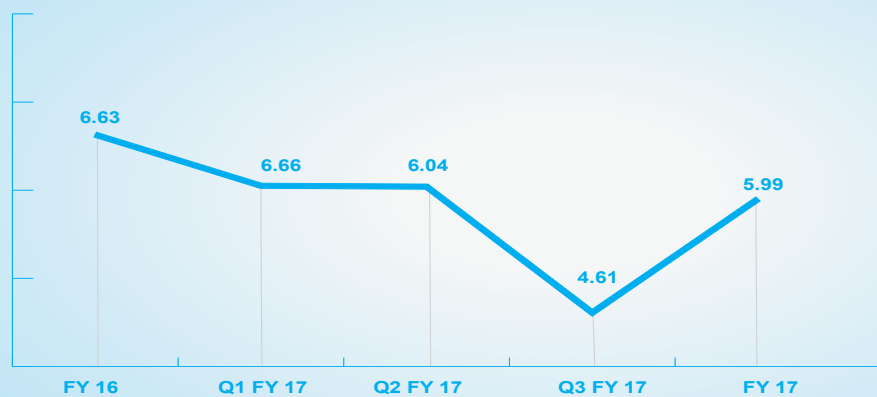
Net Interest Margin (NIM)



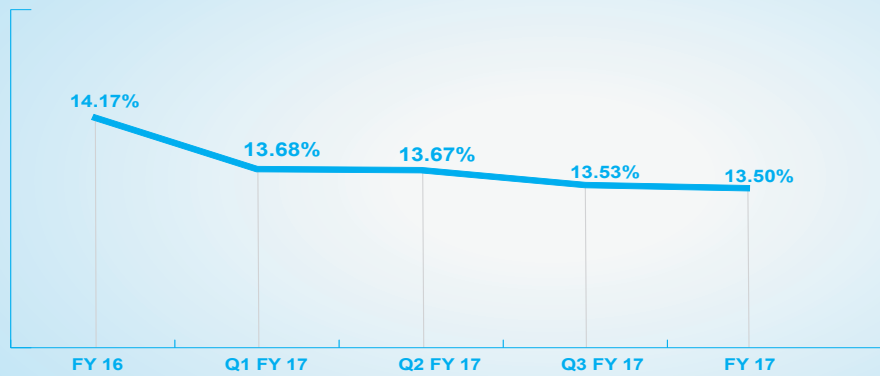
Return on Equity (ROE)



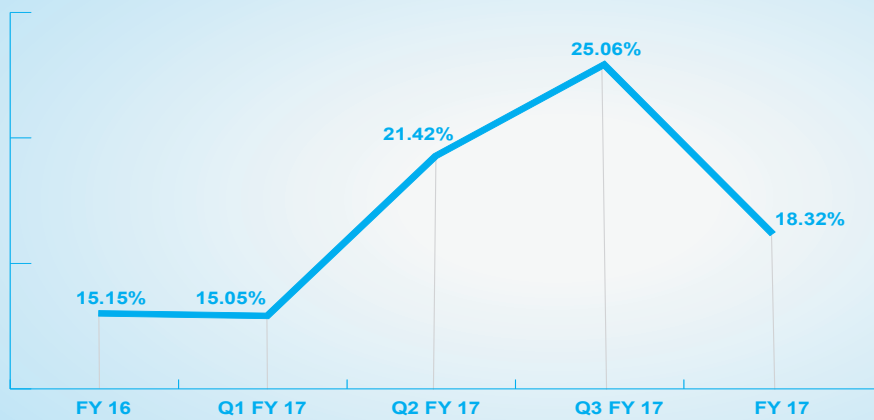
Debt/Equity Ratio



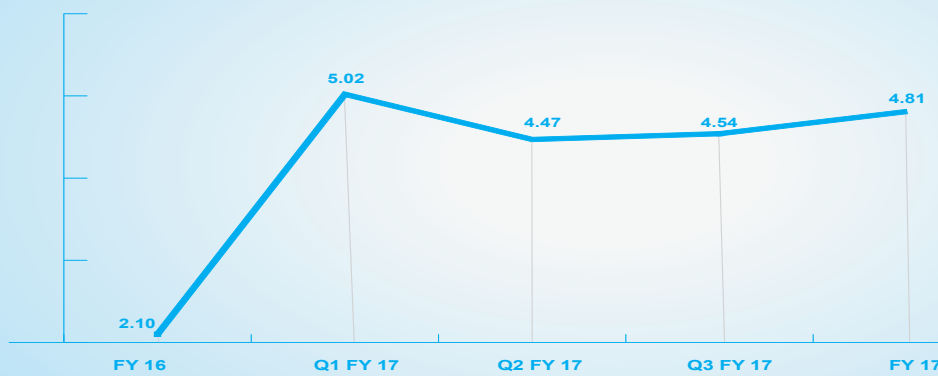
Cost of Fund (COF)



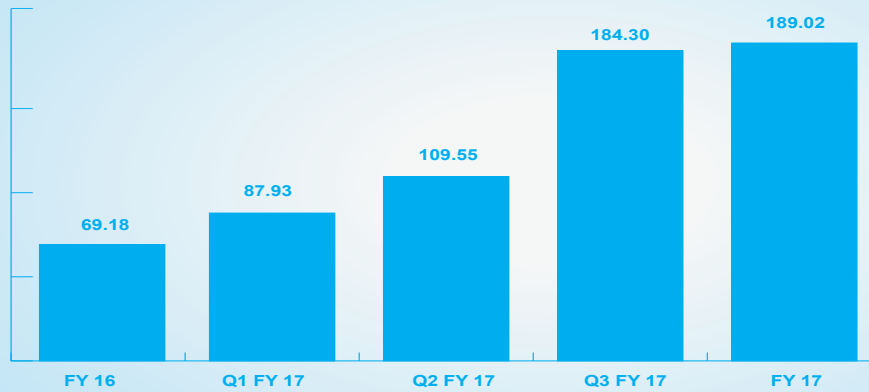
Capital Adequacy Ratio (CRAR)



Earnings Per Share (EPS)



Net Worth (₹ In Crores)



Loans Disbursed & AUM (₹ in Crores)



Revenue & PAT (₹ in Crores)



DIRECTORS' REPORT

To the Members,

Your directors are pleased to present the 25th Annual Report along with the Audited Financial Statements of your Company for the year ended 31st March, 2017.

1. Financial Highlights

Particulars	31.03.2017	31.03.2016
Gross Income	2,438,438,876	521,561,699
Expenses Before Finance cost and Depreciation	1,038,637,522	164,929,952
Finance Charges	817,859,240	210,450,495
Depreciation	9,730,456	166,207
Profit before tax	572,211,658	146,015,046
Provision for Tax	201,830,262	51,914,397
Net Profit After Tax	370,381,396	94,100,649
Dividend to Preference Shareholders	432	-
Dividend Distribution Tax	86	-
Transfer to Statutory Reserve	74,076,279	18,820,130
Surplus carried to Balance Sheet	296,304,599	75,280,519

2. Change in Nature of Business, If any:

There is no change in the nature of the business of the company during the previous year under review.

3. State of Company's Affairs:

The Company is a NBFC-MFI registered with Reserve Bank of India. And being an MFI your company is dedicated to serve the bottom of pyramid section of society by providing customised financial services to the needy, underserved and those who have limited access to regular financial institutions and banks. Microfinance operations of the company is based on the Grameen model of lending; it is designed to promote entrepreneurship among women and inclusive growth. The Company provides financial assistance through micro loans to women engaged in small income generating activities.

During the year under review, your Company has made progress in its business operation as projected. As on 31st March 2017, the total disbursements of loans under different products were ₹ 2028.56 Crores. Your Company had 399 Branches spread across 11 States of India i.e., Kerala, Tamil Nadu, Karnataka, Maharashtra, Goa, Gujarat, Punjab, Uttar Pradesh, Odisha, Haryana and Madhya Pradesh. The Company's borrower base is 7, 65, 541 and the portfolio outstanding as on March 31, 2017 is ₹ 1774.58 Crores (including managed/ securitized portfolio of ₹ 769.39 Crores)

During the year, the Company's Revenue from Operations and other income was ₹ 2,438,438,876 with a net profit of ₹ 370,381,396. The funding source for the Company was through private placement of Non-Convertible Debentures ("NCDs") and borrowings from banks/ financial institutions by way of term loans as summarized below.

Financial Year	Privately placed NCDs	Term Loans	Others	Total
2016-17	205	901.33	25	1131.33

4. Credit Rating

The Company has obtained credit ratings from CRISIL for its borrowings and Non-Convertible Debentures. The prevailing ratings are as under:

Credit Rating Agency	Instruments	Rating as on 31.03.2017
CRISIL	Bank Facilities	CRISIL A- / Stable
CRISIL	Non-Convertible Debentures	CRISIL A- / Stable

5. Capital Adequacy

The Capital Adequacy Ratio was 18.32% as on 31st March 2017. The Net Owned Funds (NOF) as on that date was ₹ **1,890,158,651**. The minimum capital adequacy requirement stipulated for Your Company by Reserve Bank of India is 15%.

6. Dividend

With the view to conserve the resources of the Company the directors are not recommending any dividend.

7. Transfer of Unclaimed Dividend to Investor Education and Protection Fund

The provisions of Section 125(2) of the Companies Act, 2013 do not apply as there was no dividend declared during last seven years.

8. Amount transferred to Reserves:

The Company proposes to transfer ₹ **74,076,279** to the statutory reserve out of the amount available for appropriation and an amount of ₹ **296,304,599** is proposed to be retained in the profit and loss account.

9. Changes in Share Capital

I. Authorised Share Capital

During the year under review, the Authorised Share capital of the Company has increased twice :-

- From ₹ 75,00,00,000 (Rupees Seventy-Five Crores) divided into 7,50,00,000 (Seven Crores Fifty Lakhs) Equity Shares of ₹ 10/- to ₹ 150,00,00,000 (Rupees One Hundred and Fifty Crores) divided into 15,00,00,000 (Fifteen Crores) Equity Shares of ₹ 10/- each by creation of additional 7,50,00,000 (Seven Crores Fifty Lakhs) Equity Shares of ₹ 10/- each on 01.06.2016
- From ₹ 150,00,00,000 (Rupees One Hundred and Fifty Crores) divided into 15,00,00,000 (Fifteen Crores) Equity Shares of ₹ 10/- each to ₹ 2,00,00,00,000 (Rupees Two Hundred Crores) by creation of new 5,00,00,000 (Five Crores) Compulsorily Convertible Preference Shares of ₹ 10/- each on 16.11.2016.

II. Paid up Capital

During the year under review, the paid-up share capital of the Company has been increased from ₹ 60,00,00,000 to ₹ 88,16,79,440 through following means :-

- Preferential allotment of 1,00,00,000 equity shares of ₹ 10 each to M/s. Muthoot Fincorp Limited on 29.04.2016.
- Preferential allotment of 41,66,667 equity shares of ₹ 10 each at a premium of ₹ 2 per share to Mr. Thomas George Muthoot and Mr. Thomas John Muthoot and 41,66,666 equity shares ₹ 10 each at a premium of ₹ 2 per share to Mr. Thomas Muthoot on 29.08.2016.
- Preferential allotment of 8,71,992, 1,44,750, 1,45,622 & 1,45,622 Equity Shares ₹ 10 each at a premium of ₹ 104.68 per share to M/s. Muthoot Fincorp Limited, Mr. Thomas Muthoot, Mr. Thomas George Muthoot and Mr. Thomas John Muthoot respectively on 21.12.2016.
- Issue of 43,600 Equity Shares of face value of ₹ 10 each at a premium of ₹ 104.68 per Equity Share and 4,316,358 compulsorily convertible preference shares of face value of ₹ 10/- each at a premium of ₹ 104.68 per preference share on private placement basis to Creation Investments India LLC on 26.12.2016

III. Employees Stock Option:

In order to develop and implement a long-term incentive program to attract, motivate and retain the talent in a competitive environment, the Company has formulated and implemented Muthoot Microfin Employee Stock Option Plan 2016 ('ESOP 2016') which provides for grant of equity shares of Muthoot Microfin Limited to employees of the Company. The ESOP 2016 provide for grant of options to the employees of the Company that are to be exercised within a specified period. The aggregate number

of Equity Shares, which may be issued under ESOP 2016, shall not exceed 12,37,500 Equity Shares. As against 12,37,500 Equity Shares, the Company has granted 6,65,000 options to four employees as per terms of ESOP 2016 on 5th December 2016. In accordance with the ESOP 2016, each option on exercise would be eligible for one Equity Share on payment of the exercise price Disclosure under Rule 12(9) of The Companies (Share Capital and Debentures) Rules, 2014 for the year ended March 31, 2017:

SL. No.	Particulars	ESOP 2016
1.	Date of Shareholders' Approval	December 05, 2016
2	Total number of options approved under the plan	12,37,500
3	Number of options granted	6,65,000
4	Number of Options vested	NIL
5	Number of options exercised	NIL
6	Exercise Price	₹ 14
7	Maximum term of Options granted	4 years
8	Number of shares arising as a result of exercise of option;	NIL
9	Number of Options lapsed	NIL
10	Variation of terms of options;	Not Applicable
11	Money realized by exercise of options;	NIL
12	Total number of options in force at the end of the year.	6,65,000
13	Employee wise details of options granted	
	i. Key Managerial Personnel	Two key managerial personnel were granted 5,30,000 options in total
	ii. Any employee who received a grant in any one year of Options amounting to 5% or more of the Options granted during that year	Three employees were granted 6,35,000 options in aggregate
	iii. Identified employees who were granted Options during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	None

IV. Disclosure regarding issue of Equity Shares with Differential Rights

Company has not issued shares with differential voting rights during the year under review.

10. Extract of the Annual Return

The extract of the Annual Return in Form No. MGT - 9 forms part of the Board's Report and is annexed herewith as ANNEXURE - 1

11. Directors' Responsibility Statement

In terms of Section 134 (5) of the Companies Act 2013, the Directors would like to state that:

- In the preparation of the annual accounts, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;
- The directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2017 and of the profit of the Company for the year under review.

- (iii) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) The Directors had prepared the annual accounts on a going concern basis.
- (v) The directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

12. Related Party Transaction

The particular of Contracts or Arrangements made with related parties pursuant to Section 188 of the Companies Act, 2013 in the prescribed Form AOC-2 is appended as ANNEXURE II which forms part of this report.

13. Explanation or Comments on Qualifications, Reservations or Adverse Remarks or Disclaimers made by the Statutory Auditors in their Reports

The observation made in the Auditors' Report read together with relevant notes thereon are self-explanatory and hence, do not call for any further comments under Section 134 of the Companies Act, 2013.

14. Secretarial Audit Report

In terms of Section 204 of the Companies Act, 2013 and Rules made there under, M/s. PSN & Associates, Company Secretaries, Trivandrum have been appointed as Secretarial Auditors of the Company for the financial year 2016-17. The report of the Secretarial Auditors is enclosed as ANNEXURE III to this report. The qualifications made in the report are self-explanatory and do not call for any further comments.

15. Particulars of Loans, Guarantees or Investments

The Company has not given any loans or guarantees and not made any investments covered under the provisions of Section 186 of the Companies Act 2013

16. 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 and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate and the date of this Report

17. Technology Absorption, Conservation of Energy, Foreign Exchange Earnings and Outgo:

The information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, is given below

A. Conservation of Energy:

- i. The operations of the Company, being Financial Services related, require normal consumption of electricity. The Company is taking every necessary step to reduce the consumption of energy..
- ii. In view of the nature of activities carried on by the Company, there is no capital investment on energy conservation equipments.
- iii. As the impact of measures taken for conservation and optimum utilisation of energy are not quantitative, its impact on cost cannot be stated accurately

B. Technology Absorption - NA

C. Foreign Exchange earnings & Outgo

Foreign Exchange Earnings	— Nil
Foreign Exchange Outgo	— Nil

18. Directors and Key Managerial Personnel

As on the date of this report, the Board of your Company consist of five Directors as follows:

Name of Director	Designation	Category
Mr. Kenneth Dan Wander Weele	Director	Non-Executive
Mr. Thomas Muthoot John	Additional Director	Non-Executive
Mr. Thomas John Muthoot	Additional Director	Non-Executive
Mr. Thomas George Muthoot	Additional Director	Non-Executive
Mr. Thomas Muthoot	Additional Director	Non-Executive

Mr. Maneesh Srivastava, Independent Director of the Company has resigned with effect from 11th March 2017. And Mr. George Lamannil, Director, Mr. Sabu Zacharias K, Independent Director and Mr. Keyur Chandrakant Shah, Additional Director has resigned with effect from 08th May 2017.

Mr. Seby Cherian resigned as the Chief Financial Officer w.e.f. close of business hours of June 27, 2016. Mr. Praveen T was appointed as the Chief Financial Officer w.e.f. December 26, 2016.

Mr. Sadaf Sayeed, Chief Executive Officer, Mr. Praveen T, Chief Financial Officer and Ms. Neethu Ajay, Company Secretary are the Key Managerial Personnel of your Company in accordance with the provisions of Sections 2(51), 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) for the time being in force).

19. Board Meeting

Thirty-two meetings of the Board of Directors were held during the year. Details about the meetings are available in the Report on Corporate Governance, which forms a part of this Report.

20. Declaration of Independent Directors

The Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

21. Board Evaluation

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit and Nomination & Remuneration Committees.

The Board of Directors has expressed their satisfaction with the evaluation process.

22. Committees of Board

Currently, the Board has six committees: the audit committee, the nomination and remuneration committee, the corporate social responsibility committee, the borrowing committee, the asset liability management committee, and the risk management committee. A detailed note on the composition of the Board and its committees is provided in the Corporate Governance report which is forming of this Report.

23. Subsidiary Company, Joint Ventures and Associate Companies

The Company does not have any subsidiary, joint venture or Associate Company.

24. Particulars of Employees

The Company had no employee during the year covered under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

25. Internal Controls

The Board of Directors of the Company has adopted Policies and Procedures for ensuring orderly and efficient conduct of business including adherence of Company's policies, safe guarding of assets, prevention and detection of frauds, accuracy and completeness of accounting records and timely preparation of reliable Financial statements.

26. Fair Practices Code

RBI had been issuing revised Fair Practices code guidelines from time to time and Your Company has adhered to all of them without any compromise. The Fair Practices Code, Code of Conduct, and Grievance Redressal Mechanism have been displayed prominently in all the branches of the Company.

27. Auditors

In accordance with Section 139 of the Companies Act, 2013, M/s. Walker Chandio & Co LLP, Chartered Accountants, (FRN 001076N), were appointed by the shareholders of the Company at the Annual General Meeting held on 07th July 2016, as Statutory Auditors for a period of 5 years to hold office until the conclusion of the 29th Annual General Meeting of the Company. In terms of the first proviso to section 139 of the Companies Act, 2013, the appointment of the auditors shall be placed for ratification at every AGM. Accordingly, the appointment of M/s. Walker Chandio & Co LLP, Chartered Accountants, as statutory auditors of the Company, is placed for ratification by the shareholders in the ensuing AGM.

In this regard, the Company has obtained a written consent under Section 139 of the Companies Act, 2013 from the Auditors to such continued appointment and also a certificate from them to the effect that their appointment, if ratified, would be in accordance with the conditions prescribed under the Companies Act, 2013 and the rules made thereunder, as may be applicable.

28. Deposits

During the year, your Company has not accepted any deposits from the public within the meaning of the provisions of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998 or any deposits within the meaning of Section 73 of the Companies Act 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

29. Risk Management

As part of our governance philosophy and in order to ensure a robust risk management system and also in line with the applicable laws, the Board of Directors of the Company has formed a Risk Management Committee. The details of Committee and its terms of reference are set out in the Corporate Governance Report, which is part of the Board's Report. Our management systems, organisational structures, processes, standards, and code of conduct together form the system of internal controls that govern how we conduct the business and manage associated risks. There are no risks which in the opinion of the Board threaten the existence of your Company.

30. Details of Policy Developed and Implemented by the Company on its Corporate Social Responsibility Initiatives

The Board of Directors has constituted the Corporate Social Responsibility Committees vide resolution passed in its meeting held on 19th July 2016. As per Section 135 of the Companies Act 2013, all Companies having net worth of ₹ 500 crore or a turnover of ₹ 1,000 crore or net profit of ₹ 5 crore or more during any financial year are required to constitute a Corporate Social Responsibility Committee (CSR) of the Board consisting of three or more directors, out of which at least one director shall be an independent director. The CSR Committee vide its meeting dated 19.07.2016 approved and recommended to Board for its approval a policy known as CSR Policy, which indicates the activities to be undertaken by the Company as specified under Schedule VII of the Companies Act 2013. Further, the Board in its meeting held on 04.08.2016 approved the detailed CSR Policy.

The CSR activity of the Company is channelized through a CSR Trust, the Muthoot Pappachan Foundation (MPF) which is Public Charitable Trust formed in the year 2003 as the CSR arm of the Muthoot Pappachan Group to facilitate CSR activities for the entire Group and all its business verticals. The CSR programs of MPF are bound by the theme HEEL; Health, Education, Environment, Livelihood.

As per the requirement of Rule 8 (1) of the Companies (Corporate Social Responsibilities) Rules 2014 the Annual Report on CSR is annexed as Annexure IV to this report.

31. Vigil Mechanism

Your Company is committed to highest standards of ethical, moral and legal business conduct. Accordingly, the Board of Directors have formulated a Whistle Blower Policy which is in compliance with the provisions of Section 177 (10) of the Companies Act, 2013. All employees and stakeholders can raise concerns regarding any discrimination, harassment, victimization, any other unfair practice being adopted against them or any instances of fraud by or against your Company.

Any incidents that are reported are investigated and suitable action taken in line with the whistle blower policy. The Whistle Blower Policy is also available on your Company's website (www.muthootmicrofin.com).

32. Details of significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future

There was no significant and material order passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

33. Disclosure as per The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company is committed to providing and promoting a safe and healthy work environment for all its employees.

The Company has zero tolerance towards sexual harassment at the workplace and has adopted a Prevention of Sexual Harassment Policy that is in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules framed thereunder for prevention and redressal of complaints of sexual harassment at workplace, along with a structured reporting and redressal mechanism. The Company has also constituted an Internal Complaint Committee, known as the Prevention of Sexual Harassment Committee, to inquire into complaints of sexual harassment and recommend appropriate action.

The Company has not received any complaint on sexual harassment during the financial year 2016-17.

34. Compliance

The Company is registered with RBI as a NBFC-MFI. The Company has complied with and continues to comply with all applicable Laws, Rules, Circulars, Regulations, etc. including Directions of RBI for a NBFC-MFI and it doesn't carry on any activities other than those specifically permitted by RBI for NBFC-MFIs.

35. Acknowledgment

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

For and on behalf of the Board

Kochi

08.05.2017

Sd/-

Thomas John Muthoot
Additional Director
(DIN 00011618)

Sd/-

Thomas George Muthoot
Additional Director
(DIN 00011552)

ANNEXURE 1
Form No. MGT-9
EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2017

[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:

1.	CIN	U65190MH1992PLC066228
2.	Registration Date	06.04.1992
3.	Name of the Company	MUTHOOT MICROFIN LIMITED
4.	Category/Sub-Category of the Company	Public Limited Company/Limited by Shares
5.	Address of the Registered office and contact details	13th Floor, Parinee Crescenzo, Bandra Kurla, Complex, Bandra East, Mumbai – 400 051
6.	Address of the Administrative office and contact details	5th Floor, Muthoot Towers, M.G Road, Kochi 682035
7.	Whether listed company (Yes / No):	No. The Non-Convertible Debentures of the Company are listed in Bombay Stock Exchange (BSE)
8.	Name, Address and Contact details of Registrar and Transfer Agent, if any	For Non-Convertible Debenture (NCDs): Karvy Computershare Pvt. Ltd. 7th floor, 701, Hallmark Business Plaza, Sant Dnyaneshwar Marg, Opp Guru Nanak Hospital, Off Bandra Kurla Complex Bandra East, Mumbai – 400 051 P: (022) 6149 1635

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	Microfinance Lending	64990	100

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

Sl. No	NAME AND ADDRESS 'OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY /ASSOCIATE	% of shares held	Applicable Section
1	Muthoot Fincorp Limited Muthoot Center, Punnen Road, Trivandrum – 695034	U65929KL1997PLC011518	Holding	79.04	2(46)

IV. SHARE HOLDING PATTERN (Equity/Preference Share Capital Breakup as percentage of Total Equity)
i. Category-wise Share Holding

Category of Sharehold-ers	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
a) Individual/ HUF	Indian	845460	8454600	1.41	0	13781454	137814540	15.7	14.29

b) Central Govt		0	0	0	0	0	0	0	0
c) State Govt	Govt(s)	0	0	0	0	0	0	0	0
d) Bodies Corporate		59154540	591545400	98.59	0	70,026,532	70,026,5320	79.4	(1919)
e) Banks/ FI		0	0	0	0	0	0	0	0
f) Any other		0	0	0	0	0	0	0	0
Sub Total (A) (1)	0	60000000	600000000	100	0	83807986	838079860	95.1	(4.9)
2. Foreign									
a) NRIs Individual									
b) Other individual	0	0	0	0	0	0	0	0	0
c) Bodies Corporate		0	0	0	0	0	0	0	0
d) Banks/ FI		0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0
Sub Total (A) (2)	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoter A= A (1) + A(2)	0	60000000	600000000	100	0	83807986	838079860	95.1	(4.9)
B.Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks/ FI	0	0	0	0	0	0	0	0	0
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total B (1)	0	0	0	0	0	0	0	0	0
2. Non- Institutions									

a) Bodies Corporate									
i. Indian	0	0	0	0	0	0	0	0	0
ii. Overseas	0	0	0	0	0	4359958*	43599580	4.9	4.9
b) Individuals									
i. Individual shareholders holding nominal share capital upto ₹ 1 lakh	0	0	0	0	0	0	0	0	0
ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	0	0	0	0	0	0	0	0	0
c) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total B (2)	0	0	0	0	0	4359958*	43599580	4.9	4.9
Total Public Shareholding B = B (1) + B (2)	0	0	0	0	0	0	0	0	0
C. Shares held by custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	0	600000000	6000000000	100	0	88167944	881679440	100	0

* 43,600 equity shares of ₹ 10 each and 4,316,358 compulsorily convertible preference shares of ₹ 10 each.

ii. Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in the shareholding during the year
		No. of shares	% of total shares	% of shares pledged/encumbered to total shares	No. of shares	% of total shares	% of shares pledged/encumbered to total shares	
1.	Muthoot Fincorp Limited	59,154,540	98.59	0	70,026,532	79.4	0	(19.19)
2.	Thomas Muthoot	180,080	0.30	0	4,491,496	5.1	0	4.8
3.	Thomas George Muthoot	159,230	0.27	0	4,471,519	5.1	0	4.83
4.	Thomas John Muthoot	160,640	0.27	0	4,472,929	5.1	0	4.83

5.	Nina George	122,870	0.20	0	122,870	0.14	0	(0.06)
6.	Preethi John	121,180	0.20	0	121,180	0.14	0	(0.06)
7.	Remy Thomas	101,460	0.17	0	101,460	0.12	0	(0.05)
	Total	60,000,000	100	0	83,807,986	95.1	0	(4.9)

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

Sl. No.	Name & Type of Transaction	Shareholding at the beginning of the year		Transactions during the year		Cumulative Shareholding during the year	
		No. Of Shares	% of total shares of the Company	Date of transaction	No. of Shares	No. Of Shares	% of total shares of the Company
1.	Muthoot Fincorp Limited	9,154,540	98.59			59,154,540	98.59
	Allotment of Equity shares			29.04.2016	10,000,000	69,154,540	98.79
	Allotment of Equity shares			21.12.2016	8,71,992	70,026,532	79.4
	At the end of the year					70,026,532	79.4*
2	Thomas Muthoot	180,080	0.30			180,080	0.30
	Allotment of Equity Shares			29.09.2016	41,66,666	4,346,746	5.27
	Allotment of Equity Shares			21.12.2016	144,750	4,491,496	5.1
	At the end of the year					4,491,496	5.1*
3	Thomas George Muthoot	159,230	0.27			159,230	0.27
	Allotment of Equity Shares			29.09.2016	41,66,667	4,325,897	5.24
	Allotment of Equity Shares			21.12.2016	145,622	4,471,519	5.1
	At the end of the year					4,471,519	5.1*
4	Thomas John Muthoot	160,640	0.27			160,640	0.27
	Allotment of Equity Shares			29.09.2016	41,66,667	43,27,307	5.25
	Allotment of Equity Shares			21.12.2016	145,622	4,472,929	5.1
	At the end of the year					4,472,929	5.1*
5	Nina George	122,870	0.20			122,870	0.14
	At the end of the year					122,870	0.14*
6	Preethi John	121,180	0.20			121,180	0.14
	At the end of the year					121,180	0.14*
7	Remy Thomas	101,460	0.17			101,460	0.12
	At the end of the year					101,460	0.12*

* Change in percentage shareholding is due to allotment of equity/ preference shares to Promoter Groups and Creation Investments India LLC

ii. Shareholding of Top Ten Shareholders (other than Directors and Promoters):

Sl. No.	Name & Type of Transaction	Shareholding at the beginning of the year		Transactions during the year		Cumulative Shareholding during the year	
		No. Of Shares	% of total shares of the Company	Date of transaction	No. of Shares	No. Of Shares	% of total shares of the Company
1.	Creation Investments India LLC	NIL	NIL			NIL	NIL
	Allotment of 43600 equity shares and 4316358 preference shares			26.12.2016	4,359,958	4,359,958	4.9
	At the end of the year					4,359,958	4.9

iii. Shareholding of Directors and Key Managerial Personnel:

Sl. No	Name & Type of Transaction	Shareholding of each Directors and KMP	No. Of Shares	% of total shares of the Company	Shareholding	Cumulative Shareholding during the year
					No. Of Shares	% of total shares of the Company
1	Thomas Muthoot	At the beginning of the year	180,080	0.30	180,080	0.30
		Allotment of Equity Shares 29.09.2016	41,66,666		4,346,746	5.27
		Allotment of Equity Shares 21.12.2016	144,750		4,491,496	5.1
		At the end of the year	4,491,496	5.1	4,491,496	5.1
2	Thomas George Muthoot	At the beginning of the year	159,230	0.27	159,230	0.27
		Allotment of Equity Shares 29.09.2016	41,66,667		4,325,897	5.24
		Allotment of Equity Shares 21.12.2016	145,622		4,471,519	5.1
		At the end of the year	4,471,519	5.1	4,471,519	5.1
3	Thomas John Muthoot	At the beginning of the year	160,640	0.27	160,640	0.27
		Allotment of Equity Shares 29.09.2016	41,66,667		43,27,307	5.25
		Allotment of Equity Shares 21.12.2016	145,622		4,472,929	5.1
		At the end of the year	4,472,929	5.1	4,472,929	5.1

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/ accrued but not due for payment (in Crores)

	Secured Loans/ NCDs excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i. Principal Amount	412.83	NIL	NIL	412.83
ii. Interest due but not paid	NIL	NIL	NIL	NIL
iii. Interest accrued but not paid	4.02	NIL	NIL	4.02
Total (i + ii + iii)	416.85	NIL	NIL	416.85
Change in Indebtedness during the financial year				
Addition	941.46	25.00	NIL	966.46
Reduction (Repayments made)	247.96	NIL	NIL	247.96
Net Change Indebtedness	693.50	25.00	NIL	718.50
At the end of the financial year				
i. Principal Amount	1106.33	25.00	NIL	1131.33
ii. Interest due but not paid	NIL	NIL	NIL	NIL
iii. Interest accrued but not paid	10.53	NIL	NIL	10.53
Total (i + ii + iii)	1116.86	25.00	NIL	1141.86

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

B. Remuneration of Directors – NIL

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

Sl. No	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		CS	CEO	CFO	
1.	Gross salary				
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	480,821	5,532,900	2,65,950 (w.e.f 26.12.2016)	6,279,671
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL	NIL	NIL
	c) Profits in lieu of salary under section 17(3) 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	9,308,149	NIL	9,308,149
5.	Others, please specify Bonus	84,000	NIL	NIL	84,000
	Total	564,821	14,841,049	2,65,950	15,671,820

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES: No Penalties, punishments and compounding of offences were imposed on the Company during the financial year 2016-17.

There were no material penalties, punishments and compounding of offences for the year ended 31st March 2017.

For and on behalf of the Board

Kochi
08.05.2017

Sd/-
Thomas John Muthoot
Additional Director
(DIN 00011618)

Sd/-
Thomas George Muthoot
Additional Director
(DIN 00011552)

ANNEXURE II
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 arm's length transaction under third proviso thereto.

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

There were no contracts or arrangements or transactions entered into by the Company during the financial year 2016-17 which were not at arm's length basis.

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

a. Lease Agreement executed with Muthoot Fincorp Limited

Sl. No	Particulars	Details
1.	Name (s) of the related party & nature of relationship	Muthoot Fincorp Limited, Holding Company
2.	Nature of contracts/arrangements/transaction	Agreement for leasing of property situated at Vel-lanad, Trivandrum
3.	Duration of the contracts/ arrangements/ transaction	10 years w.e.f 01.05.2016
4.	Salient terms of the contracts or arrangements or transaction including the value, if any	Rent payable per month – ₹ 22,400 Rent enhancement – 5% every year Security Deposit – ₹ 67,200
5.	Date of approval by the Board	17.03.2016
6.	Amount paid as advances, if any	NIL

b. Space sharing Agreement with Muthoot Fincorp Limited

Sl. No	Particulars	Details
1.	Name (s) of the related party & nature of relationship	Muthoot Fincorp Limited, Holding Company
2.	Nature of contracts/arrangements/transaction	space sharing agreement – 3 branches at Karumathampetty, Mettupalayam and Thattamala
3.	Duration of the contracts/arrangements/ transaction	10 years w.e.f 01.05.2016
4.	Salient terms of the contracts or arrangements or transaction including the value, if any	<ul style="list-style-type: none"> Karumathampetty: Area – 150 sq.ft for a monthly rent of ₹2760 which is enhanced by 15% every 3 years, Security Deposit- ₹ 11,540/- Mettupalayam: Area – 460 sq.ft for a monthly rent of ₹ 7500 which is enhanced by 15% every 3 year, Security Deposit - ₹ 40,000/- Thattamala: Area – 400 sq.ft for a monthly rent of ₹ 5200 which is enhanced by 5% every year, Security Deposit - ₹ 30,000/-
5.	Date of approval by the Board	17.03.2016
6.	Amount paid as advances, if any	NIL

c. Cash Management Agreement with Muthoot Fincorp Limited

Sl. No	Particulars	Details
1.	Name (s) of the related party & nature of relationship	Muthoot Fincorp Limited, Holding Company
2.	Nature of contracts/arrangements/transaction	Cash Management Agreement
3.	Duration of the contracts/arrangements/transaction	5 years w.e.f 01.04.2016
4.	Salient terms of the contracts or arrangements or transaction including the value, if any	<p>Scope of Work: MFL shall during its office hours provide the following services to MML: Disbursement of loans to microfinance customers of MML through the branches of MFL. Collection of receipts / amounts from microfinance customers of MML through the branches of MFL.</p> <p>Collection of processing fee, insurance and any other receipts of MML connected with loan disbursement. MML Shall pay to MFL</p> <ul style="list-style-type: none"> • 0.5% the aggregate business done under the services provided by MFL for each month
5.	Date of approval by the Board	25.04.2016 (date of ratification by the Board)
6.	Amount paid as advances, if any	NIL

d. Lease Agreement Executed with Muthoot Fincorp Limited

Sl. No	Particulars	Details
1.	Name (s) of the related party & nature of relationship	Muthoot Fincorp Limited, Holding Company
2.	Nature of contracts/arrangements/transaction	Lease Agreement
3.	Duration of the contracts/arrangements/transaction	10 years w.e.f 01.04.2016
4.	Salient terms of the contracts or arrangements or transaction including the value, if any	Area occupied: 40 Sq. ft Rent payable per month – ₹ 11,500 Rent enhancement – 5% every year
5.	Date of approval by the Board	20.05.2016 (date of ratification by the Board)
6.	Amount paid as advances, if any	NIL

e. Agreement with Muthoot Fincorp Limited – MSGB

Sl. No	Particulars	Details
1.	Name (s) of the related party & nature of relationship	Muthoot Fincorp Limited, Holding Company
2.	Nature of contracts/arrangements/transaction	MSGB Agreement
3.	Duration of the contracts/arrangements/transaction	1 year w.e.f 01.06.2016
4.	Salient terms of the contracts or arrangements or transaction including the value, if any	<p>Terms and conditions as per specified in the Agreement.</p> <p>MFL will pay 1% on disbursement amount 1% on collection amount to MML for the services provided</p>
5.	Date of approval by the Board	04.08.2016 (date of ratification by the Board)
6.	Amount paid as advances, if any	MFL will pay 1% on disbursement amount 1% on collection amount to MML for the services provided.
6.	Amount paid as advances, if any	NIL

f. Addendum to MSGB Agreement executed with Muthoot Fincorp Limited

Sl. No	Particulars	Details
1.	Name (s) of the related party & nature of relationship	Muthoot Fincorp Limited, Holding Company
2.	Nature of contracts/arrangements/transaction	Addendum to MSGB Agreement
3.	Duration of the contracts/ arrangements/ transaction	Effective from 15.12.2016
4.	Salient terms of the contracts or arrangements or transaction including the value, if any	<p>Amendments made to payment of service fees as follows:</p> <p>MFL will pay 2% on disbursement amount and 2.5% on collection amount</p> <p>Other than the above mentioned amendment, rest of the terms and conditions of the Agreement executed on 01.06.2016 shall continue in force and effect.</p>
5.	Date of approval by the Board	21.12.2016 (ratification by the Board)
6.	Amount paid as advances, if any	NIL

g. Addendum to Asset Transfer Agreement executed with Muthoot Fincorp Limited

Sl. No	Particulars	Details												
1.	Name (s) of the related party & nature of relationship	Muthoot Fincorp Limited, Holding Company												
2.	Nature of contracts/arrangements/transaction	Addendum Agreement												
3.	Duration of the contracts/arrangements/ transaction	Effective from 01.11.2016												
4.	Salient terms of the contracts or arrangements or transaction including the value, if any	<div>For transfer of following assets from Muthoot Fincorp Limited to Muthoot Microfin Ltd at a total consideration of ₹ 27,73,271</div> <table><thead><tr><th>Asset</th><th>Count</th></tr></thead><tbody><tr><td>Air Conditioner</td><td>3</td></tr><tr><td>Computer and Accessories</td><td>94</td></tr><tr><td>Electrical Fittings</td><td>47</td></tr><tr><td>Furniture And Fixtures</td><td>922</td></tr><tr><td>Printer and Scanner</td><td>51</td></tr></tbody></table>	Asset	Count	Air Conditioner	3	Computer and Accessories	94	Electrical Fittings	47	Furniture And Fixtures	922	Printer and Scanner	51
Asset	Count													
Air Conditioner	3													
Computer and Accessories	94													
Electrical Fittings	47													
Furniture And Fixtures	922													
Printer and Scanner	51													
5.	Date of approval by the Board	21.12.2016 (ratification by Board)												
6.	Amount paid as advances, if any	NIL												

h. Space Sharing Agreement executed with Muthoot Fincorp Limited

Sl. No	Particulars	Details
1.	Name (s) of the related party & nature of relationship	Muthoot Fincorp Limited, Holding Company
2.	Nature of contracts/arrangements/transaction	Addendum to MSGB Agreement
3.	Duration of the contracts/arrangements/ transaction	Effective from 15.12.2016

4.	Salient terms of the contracts or arrangements or transaction including the value, if any	<ul style="list-style-type: none"> Peelamedu: Area – 381 sq.ft for a monthly rent of ₹ 18,200 which is enhanced by 15% every 3 years, Security Deposit- ₹ 76,200/- Indira Nagar: Area – 500 sq.ft for a monthly rent of ₹ 20,900 which is enhanced by 5% every year, Security Deposit – ₹ 1,26,000/- Sultanpalaya: Area – 500 sq.ft for a monthly rent of ₹ 14,100 which is enhanced by 5% every year, Security Deposit – ₹ 1,00,000/- Hassan: Area – 800 sq.ft for a monthly rent of ₹ 7,293 which is enhanced by 5% every year, SD- ₹ 30,000/- Kalady: Area – 360 sq.ft for a monthly rent of ₹ 7,717 which is enhanced by 5% every year, Security Deposit – ₹ 30,000/- Kumbakonam – Area – 350 sq.ft for a monthly rent of ₹ 7,875 which is enhanced by 5% every year, Security Deposit – ₹ 25,000/- Mullakkal – Area – 400 sq.ft for a monthly rent of ₹ 6,946 which is enhanced by 5% every year, Security Deposit – ₹ 18,000/- Latur – Area – 264 sq.ft for a monthly rent of ₹ 7,717 which is enhanced by 5% every year, Security Deposit – ₹ 20,000/-
5.	Date of approval by the Board	21.12.2016
6.	Amount paid as advances, if any	NIL

i. Addendum to Asset Transfer Agreement executed with Muthoot Fincorp Limited

Sl. No	Particulars	Details												
1.	Name (s) of the related party & nature of relationship	Muthoot Fincorp Limited, Holding Company												
2.	Nature of contracts/arrangements/transaction	Addendum Agreement												
3.	Duration of the contracts/arrangements/ transaction	Effective from 31.01.2016												
4.	Salient terms of the contracts or arrangements or transaction including the value, if any	<div>For transfer of following assets from Muthoot Fincorp Limited to Muthoot Microfin Ltd at a total consideration of ₹ 25,79,907</div> <table><tr><th>Asset</th><th>Count</th></tr><tr><td>Air Conditioner</td><td>4</td></tr><tr><td>Computer System</td><td>108</td></tr><tr><td>Furniture and Fixtures</td><td>1130</td></tr><tr><td>Ups</td><td>92</td></tr><tr><td>Printer and Scanner</td><td>65</td></tr></table>	Asset	Count	Air Conditioner	4	Computer System	108	Furniture and Fixtures	1130	Ups	92	Printer and Scanner	65
Asset	Count													
Air Conditioner	4													
Computer System	108													
Furniture and Fixtures	1130													
Ups	92													
Printer and Scanner	65													
5.	Date of approval by the Board	13.02.2017												
6.	Amount paid as advances, if any	NIL												

j. Lease Agreement executed with Mr. Thomas John Muthoot, Thomas Muthoot, Thomas George Muthoot and Janamma Thomas.


Sl. No	Particulars	Details
1.	Name (s) of the related party & nature of relationship	Thomas John Muthoot, Thomas Muthoot, Thomas George Muthoot and Janamma Thomas, Directors of Holding Company
2.	Nature of contracts/arrangements/transaction	Lease agreement
3.	Duration of the contracts/ arrangements /transaction	10 years w.e.f 01.03.2017

4.	Salient terms of the contracts or arrangements or transaction including the value, if any	Area occupied: 850 Sq. Ft Rent payable per month – ₹ 16,500 Rent enhancement – 5% every year Security Deposit – ₹ 99,000
5.	Date of approval by the Board	13.02.2017
6.	Amount paid as advances, if any	NIL

k. Space Sharing Agreement executed with Muthoot Fincorp Limited

Sl. No	Particulars	Details
1.	Name (s) of the related party & nature of relationship	Muthoot Fincorp Limited, Holding Company
2.	Nature of contracts/arrangements/transaction	space sharing agreement – 4 branches at Nileswar-am, Tirunelveli, Kanchipuram and Kohlapur.
3.	Duration of the contracts/ arrangements/ transaction	10 years w.e.f 15.03.2017
4.	Salient terms of the contracts or arrangements or transaction including the value, if any	<ul style="list-style-type: none"> Nileswarem: Area – 350 sq.ft for a monthly rent of ₹ 3,646 which is enhanced by 5% every year, Security Deposit- ₹ 18,000/- Tirunelveli: Area – 350 sq.ft for a monthly rent of ₹ 6,945 which is enhanced by 5% every year, Security Deposit - ₹ 25,000/- Kanchipuram: Area – 400 sq.ft for a monthly rent of ₹ 7,293 which is enhanced by 5% every year, Security Deposit - ₹ 30,000/- Kohlapur: Area – 350 sq.ft for a monthly rent of ₹ 8,820 which is enhanced by 5% every year, Security Deposit - ₹ 20,000/-
5.	Date of approval by the Board	13.02.2017
6.	Amount paid as advances, if any	NIL

l. Agreement with Thomas Muthoot, Thomas John Muthoot and Thomas George Muthoot

Sl. No	Particulars	Details
1.	Name (s) of the related party & nature of relationship	Thomas John Muthoot, Thomas Muthoot and Thomas George Muthoot, Directors of Holding Company
2.	Nature of contracts/arrangements/transaction	Trademark Agreement dated 14.02.2017
3.	Duration of the contracts/ arrangements / transaction	10 years w.e.f 01.01.2017
4.	Salient terms of the contracts or arrangements or transaction including the value, if any	For obtaining license to use the below mentioned Trademark/logo for a consideration of ₹ 1,00,000 per annum: a. The trade mark “Muthoot Pappachan” and b. the logo 
5.	Date of approval by the Board	13.02.2017
6.	Amount paid as advances, if any	NIL

For and on behalf of the Board

 Kochi
08.05.2017

 Sd/-
Thomas John Muthoot
Additional Director
(DIN 00011618)

 Sd/-
Thomas George Muthoot
Additional Director
(DIN 00011552)

ANNEXURE III
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31ST March, 2017

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

To
The Members
Muthoot Microfin Limited
13th Floor, Parinee Crescenzo
Bandra Kurla Complex
Bandra East, Mumbai
Maharashtra- 400051

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Muthoot Microfin Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2017 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 Muthoot Microfin Limited for the financial year ended on 31st March, 2017 according to the provisions of:

- 1 The Companies Act, 2013 (the Act) and the rules made thereunder;
- 2 The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- 3 The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- 4 Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of oreign direct investment, overseas direct investment and external commercial borrowings;
- 5 The Regulations and Guidelines prescribed under the Securities and

Exchange Board of India Act, 1992 ('SEBI Act') viz. :-

- 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 (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - e The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - f 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;
 - g The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - h The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- 6 Guidelines and regulations with respect to NBFCs and Micro finance Institutions issued by Reserve bank of India.

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

1. Secretarial Standards issued by The Institute of Company Secretaries of India.
2. The Listing Agreements entered into by the Company with Bombay Stock Exchange.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations,

Guidelines, Standards, etc. mentioned above except to the extent as mentioned below

In respect of filing of various returns with Registrar of Companies, especially creation of charges, filed after 30 days, but within 300 days.

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.

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.

Thiruvananthapuram
06-05-2017

Sd/-
P Sajee Nair, FCS
Practicing Company Secretary
Membership No.: FCS 8705
Certificate of Practice No.:12772

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.

'Annexure A'

The Members
Muthoot Microfin Limited

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

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

Thiruvananthapuram
06-05-2017

Sd/-
P Sajee Nair, FCS
Practicing Company Secretary
Membership No.: FCS 8705
Certificate of Practice No.:12772

Annexure IV

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

For achieving the CSR objectives through the implementation of meaningful and sustainable CSR programmes, Muthoot Microfin Limited (the Company) will annually contribute up to two percent of the average profits for the last three years towards CSR activities

1. A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken are given in CSR policy are as below:

The 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 Muthoot Pappachan Foundation (MPF), a Public Charitable Trust formed in the year 2003 as the CSR arm of the Muthoot Pappachan Group to facilitate CSR activities for the entire Group and all its business verticals. The CSR programs of MPF is bound by the theme HEEL: Health, Education, Environment, Livelihood.

The objectives of CSR Policy of the Company are to:

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

2. The Composition of the CSR Committee:

- Mr. George Lamannil
- Mr. Sabu Zacharias K
- Mr. Maneesh Srivastava

3. Average net profit of the company for last three financial years:

S. No	Financial Years	Net Profit as per section 198
1.	Ending 31st March, 2014	(9,67,353)
2.	Ending 31st March, 2015	(2,293,719)
3.	Ending 31st March, 2016	146,015,046
	Average Net Profit	48,671,682

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

₹ 973,434

5. Details of CSR spent during the financial year.

- Total amount to be spent for the financial year: ₹ 973,434/-
- Amount unspent, if any: NIL
- Manner in which the amount spent during the financial year is detailed below

Sl. No	Particulars	Details
1.	CSR project or activity identified	Smile Please - Cleft Surgery Mission
2.	Sector in which the project is covered	Health
3.	Projects or programme (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Pondicherry
4.	Amount outlay (budget project or programme wise)	₹ 973,434

5.	Amount spent on the project or programme Sub Heads; (1) Direct expenditure on projects or programmes (2) Overheads	₹ 973,434/-
6.	Cumulative expenditure up to the reporting period	₹ 973,434/-
	Amount Spent: direct or through implementing agency	Through implementing agency: Muthoot Pappachan Foundation

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report:
Not Applicable as amounts have been spent.
7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, in compliance with CSR objectives and Policy of the Company:
We hereby confirm that the implementation and monitoring of CSR Policy, are in compliance with the CSR objectives and CSR Policy of the Company.

For and on behalf of the Board

Kochi
08.05.2017

Sd/-
Thomas John Muthoot
Additional Director
(DIN 00011618)

Sd/-
Thomas George Muthoot
Additional Director
(DIN 00011552)



Loan ID- KYKP#358/ME

The story of 46-year-old Sobha, a housewife from a small village in Alappuzha district of Kerala is a perfect example of how microfinance loans transform the lives of rural women from backward areas. Hardly 5 years ago, Sobha, like many from her village was engaged in traditional coir weaving but with paltry earnings. For better returns, she would need to make investments to buy more fibre and small machineries. She approached many financiers but was denied a loan due to her inability to provide any security.

She was introduced to Muthoot Microfin at that time and was excited to know about its simple but effective operations. She availed microfinance loans from the institution and invested the money in her micro enterprise. Gradually her hard work paid off and she began to earn up to ₹ 1000 a day. Sobha now serves as a prime example of how a little financial support can empower hard working rural women from backward areas.

REPORT ON CORPORATE GOVERNANCE

Corporate Governance is the application of best management practices, compliance of laws, rules, regulations and adherence to standards to achieve the objects of the Company, enhancing shareholder/investor value and discharging of social responsibility. The Company does not view Corporate Governance principles as set of binding obligations, but believes in using it as a framework to be followed in spirit.

Corporate governance is based on principles such as conducting the business with all integrity and fairness, being transparent with regard to all transactions, making all the necessary disclosures and decisions, complying with all the laws of the land, accountability and responsibility towards the stakeholders and commitment to conducting business in an ethical manner

Muthoot Microfin Limited is committed to maintaining a high standard of corporate governance in complying with Master Circular on Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015 issue by RBI on July 3, 2015.

I. BOARD OF DIRECTORS

a. The current composition of the board is detailed below:

Sl. No	Name of the Director	DIN	Designation
1.	Mr. Thomas Muthoot John	07557585	Additional Director
2.	Mr. Kenneth Dan Vander Weele	02545813	Director
3.	Mr. Thomas John Muthoot	00011618	Additional Director
4.	Mr. Thomas George Muthoot	00011552	Additional Director
5.	Mr. Thomas Muthoot	00082099	Additional Director

b. As per clause 4.1 (b) Company's Articles of Association, the Company shall, subject to applicable law, have no more than 7 (seven) Directors consists of 4 (Four) members representing the Promoter Group, 2 (two) Independent Directors (appointed/ nominated in accordance with the Share Subscription Agreement), and 1 (one) Creation Director.

c. In Compliance with Section 165 of the Companies Act, 2013 ('the Act'), a Director shall not hold the office of Director in more than 20 companies including maximum of 10 public limited companies.

d. Mr. Thomas Muthoot John was appointed by the Board vide its meeting held on December 01, 2016 as Additional Directors of the Company. Mr. Kenneth Dan Wander Weele was appointed by the Members at their Extra Ordinary General Meeting held on 27th December 2016. The Board of Directors at their meeting held on 08th May 2017 appointed Mr. Thomas John Muthoot, Mr. Thomas George Muthoot and Thomas Muthoot as the Additional Directors.

e. Mr. Maneesh Srivastava, Independent Directors resigned from the Board w.e.f 10th March 2017. Mr. George Lamannil, Director, Mr. Keyur Chandrakant Shah, Additional Director and Mr. Sabu Zacharias K, Independent Director resigned from the Board with effect from 08th May 2017.

f. During the financial year 2016–2017, the Board of Directors of the Company, met 32 (Thirty-Two) times. The details of the meetings are as follow.

Sl. No.	Date of the Meeting	11	04.08.2016	22	23.11.2016
1	02.04.2016	12	31.08.2016	23	29.11.2016
2	25.04.2016	13	12.09.2016	24	30.11.2016
3	29.04.2016	14	15.09.2016	25	01.12.2016
4	20.05.2016	15	23.09.2016	26	05.12.2016
5	28.05.2016	16	29.09.2016	27	08.12.2016
6	06.06.2016	17	07.10.2016	28	21.12.2016
7	15.06.2016	18	18.10.2016	29	26.12.2016
8	24.06.2016	19	24.10.2016	30	28.12.2016
9	28.06.2016	20	28.10.2016	31	29.12.2016
10	19.07.2016	21	11.11.2016	32	13.02.2017

II. COMMITTEES OF BOARD

a. **Audit Committee:** The constitution of this Committee is in compliance with the provisions of Section 177 of the Companies Act, 2013. The details of its terms of reference as approved by the Board of Directors of the Company are given below:

- providing recommendation for appointment, remuneration and terms of appointment of auditors of the company
- reviewing & monitoring auditor's independence and performance, and effectiveness of audit process
- examining financial statement and the auditors' report thereon
- scrutinizing inter-corporate loans and investments
- evaluating internal financial controls & risk management systems
- monitoring the end use of funds raised through public offers and related matters
- valuation of undertakings or assets of the company, wherever it is necessary
- approval or any subsequent modification of transactions of the company with related parties

The Audit Committee consists of following Directors:

Name of Director	Nature of Directorship	Designation
Mr. Sabu Zacharias Kuncheria*	Independent	Chairman
Mr. Maneesh Srivastava*	Independent	Member
Mr. Kenneth Dan Vander Weele	Non-Executive	Member

*Mr. Maneesh Srivastava resigned from the Board w.e.f 10th March 2017 and Mr. Sabu Zacharias K resigned w.e.f 08th May 2017.

During the year 2016-17 the Audit Committee met 3 time on 06th June 2016, 08th October 2016 and 18th November 2016.

b. **Nomination and Remuneration Committee (NRC):** This Committee is constituted in compliance with the provisions of Section 178 of the Companies Act, 2013. The Company has a Board approved Nomination and Remuneration Policy in place. The terms of reference of NRC in line with Section 178 of the Companies Act, 2013 are as under:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other Senior managerial employees;
- Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
- 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 of Directors for their appointment and removal; and
- Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.

The Nomination and Remuneration Committee is comprised of:

Name of Director	Nature of Directorship	Designation
Mr. Sabu Zacharias Kuncheria*	Independent	Chairman
Mr. Maneesh Srivastava*	Independent	Member
Mr. George Lamannil*	Non-Executive	Member
Kenneth Dan Vander Weele	Non-Executive	Member

*Mr. Maneesh Srivastava resigned from the Board w.e.f 10th March 2017. Mr. Sabu Zacharias K and Mr. George Lamannil resigned w.e.f 08th May 2017.

During the year 2016-17 the Nomination and Remuneration Committee met 6 times on 08th April 2016, 11th July 2016, 11th October 2016, 01st December 2016, 26th December 2016 and 14th January 2017

c. Corporate Social Responsibility Committee (CSR): This Committee is constituted in compliance with the provisions of Section 135 of the Companies Act, 2013. The Company has a Board approved Corporate Social Responsibility Policy in place. The terms of reference of the CSR Committee is in accordance with Section 135 (3) of the Companies Act, 2013 and is as under:

- 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;
- Recommend to the Board the amount of expenditure to be incurred on the CSR activities referred to in (i) above; and
- Monitor the CSR policy of the Company from time to time.

The CSR Committee is comprised of:

Name of Director	Nature of Directorship	Designation
Mr. Sabu Zacharias Kuncheria*	Independent	Chairman
Mr. Maneesh Srivastava*	Independent	Member
Mr. George Lamannil*	Non-Executive	Member

*Mr. Maneesh Srivastava resigned from the Board w.e.f 10th March 2017. Mr. Sabu Zacharias K and Mr. George Lamannil resigned w.e.f 08th May 2017.

During the year 2016-17 the CSR Committee met 2 times on 19th July 2016 and 20th December 2017

d. Asset Liability Management Committee (ALCO): The Company has constituted an Asset Liability Management Committee in terms of RBI Circular DNBR (PD) CC.No.053/03.10.119/2015-16 July 03, 2015. The Company has a Board approved Asset Liability Management Policy in place. ALCO is vested with the responsibilities of monitoring the risk and to make suitable strategies to control it. The terms of reference are as below:

- Addressing concerns regarding asset liability mismatches;
- Achieving optimal return on capital employed while maintaining acceptable levels of risk relating to liquidity;
- Addressing concerns regarding interest rate risk exposure; and
- Review the periodical returns submitted to RBI every year;
- Monitor and review the cost of funds and the net interest margin;
- To do such other acts, deeds and things as may be directed by the Board and required to comply with the applicable laws.

The ALCO is comprised of:

Sl. No	Name of Members	Designation
1.	Mr. George Lamannil*	Director
2.	Mr. Sadaf Sayeed	Chief Executive Officer
3.	Ms. Neethu Ajay	Company Secretary

* Mr. George Lamannil resigned from the Board w.e.f 08th May 2017.

e. Risk Management Committee: This Committee is constituted in compliance with the provisions of the Companies Act, 2013 and RBI Circular DNBR (PD) CC.No.053/03.10.119/2015-16 July 01, 2015. The Company has a Board approved Risk Management Policy in place. The terms of reference are as below:

- To monitor and review the risk management plan;
- To review operational risk
- To take strategic actions to mitigate the risk associated with the nature of the business;
- To appraise the Board of Directors at regular intervals regarding the process of putting in place a progressive risk management system, risk management policy and strategy;

The Risk Management is comprised of:

Sl. No	Name of Members	Designation
1.	Mr. George Lamannil*	Director

2.	Mr. Sadaf Sayeed	Chief Executive Officer
3.	Ms. Neethu Ajay	Company Secretary

* Mr. George Lamannil resigned from the Board w.e.f 08th May 2017

f. Borrowing Committee: The Company has a Borrowing Committee to exercise all powers to borrow moneys (otherwise than by issue of debentures) and taking necessary actions connected therewith. The terms of reference are as below:

- To borrow any amounts within the limit of Borrowing Powers of the Company
- To assign/ sell the loan portfolio of the Company to any Banks/ Financial Institution
- To open branches in the name of the Company
- To open and operate Bank accounts
- To sub delegate its powers to the officers/ representatives of the Company

The Borrowing Committee is comprised of:

Sl. No	Name of Members	Designation
1.	Mr. George Lamannil*	Director
2.	Mr. Sadaf Sayeed	Chief Executive Officer
3.	Mr. Praveen T	Chief Financial Officer

* Mr. George Lamannil resigned from the Board w.e.f 08th May 2017

III. REMUNERATION TO DIRECTORS:

No remuneration was paid to any Non-Executive Director during the financial year 2016-17.

IV. GENERAL BODY MEETING:

During the year ended 31st March 2017, one Annual General Meeting and 9 Extra Ordinary General Meeting were held and the details are given below:

Sl. No	Date	Category	Time	Venue
1.	15.04.2016	EGM	11.00AM	13th Floor, Parinee Crescenzo, Bandra Kurla Complex, Bandra East, Mumbai 400051
2	01.06.2016	EGM	11.00AM	13th Floor, Parinee Crescenzo, Bandra Kurla Complex, Bandra East, Mumbai 400051
3.	07.07.2016	AGM	12.00 Noon	13th Floor, Parinee Crescenzo, Bandra Kurla Complex, Bandra East, Mumbai 400051
4.	28.09.2016	EGM	11.00AM	13th Floor, Parinee Crescenzo, Bandra Kurla Complex, Bandra East, Mumbai 400051
5.	14.10.2016	EGM	11.00AM	13th Floor, Parinee Crescenzo, Bandra Kurla Complex, Bandra East, Mumbai 400051
6.	16.11.2016	EGM	11.00AM	13th Floor, Parinee Crescenzo, Bandra Kurla Complex, Bandra East, Mumbai 400051
7.	05.12.2016	EGM	10.30AM	13th Floor, Parinee Crescenzo, Bandra Kurla Complex, Bandra East, Mumbai 400051

8.	16.12.2016	EGM	11.00AM	13th Floor, Parinee Crescenzo, Bandra Kurla Complex, Bandra East, Mumbai 400051
9.	21.12.2016	EGM	11.00AM	13th Floor, Parinee Crescenzo, Bandra Kurla Complex, Bandra East, Mumbai 400051
10.	27.12.2016	EGM	11.00AM	13th Floor, Parinee Crescenzo, Bandra Kurla Complex, Bandra East, Mumbai 400051

V. RELATED PARTY TRANSACTIONS:

All transactions or arrangements with related parties referred to in Section 188 (1) of the Act, entered into during the year were on arm's length basis or were in ordinary course of business.

VI. GENERAL SHAREHOLDER INFORMATION

- Company Registration Details:** The Company is registered in the state of Maharashtra, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs is U65190MH-1992PLC066228. The Company being NBFC-MFI is registered with Reserve Bank of India (Certificate of Registration Number: 13.00365).
- Financial Calendar:** The financial calendar of the Company is from 1st April to 31st March.
- Ensuing Annual General Meeting:**

Date and Time	May 10, 2017 at 11.00am
Venue	13th Floor, Parinee Crescenzo, Bandra Kurla Complex, Bandra East, Mumbai, Maharashtra-400051

- Dividend details:** NIL
- Shareholding pattern of the Company as on 31st March 2017**

Name of Shareholder	No. of Equity Shares	No. of Preference shares	Total No. of shares	% held
THOMAS MUTHOOT	4,491,496	NIL	4,491,496	5.1%
THOMAS GEORGE MUTHOOT	4,471,519	NIL	4,471,519	5.1%
THOMAS JOHN MUTHOOT	4,472,929	NIL	4,472,929	5.1%
NINA GEORGE	122,870	NIL	122,870	0.14%
PREETHI JOHN	121,180	NIL	121,180	0.14%
REMY THOMAS	101,460	NIL	101,460	0.12%
MUTHOOT FINCORP LTD	70,026,532	NIL	700,265,320	79.4%
CREATION INVESTMENTS INDIA, LLC	43,600	4,316,358	4,359,958	4.9%
Total	83,851,586	4,316,358	88,167,944	100

- Address for Correspondence:**
 - Administrative Office:** 5th Floor, Muthoot Towers, M.G Road, Kochi 682035
 - Registered Office:** 13th Floor, Parinee Crescenzo, Bandra Kurla Complex, Bandra East, Mumbai 400051

Independent Auditor's Report

To the Members of Muthoot Microfin Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of Muthoot Microfin Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these 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 prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). 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

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. 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.
5. 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 these financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the 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 controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on these financial statements.

Opinion

8. 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, of the state of affairs of the Company as at 31 March 2017, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. Further to our comments in Annexure A, as required by Section 143(3) of the Act, we report that:
 - a. we have sought and except for the possible effects of the matter described in para 10(g) (iv) below,

- obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. the financial statements 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 prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
 - e. on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164(2) of the Act;
 - f. we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 08th May 2017 as per Annexure B expressed an unmodified opinion;
 - g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company does not have any pending litigation which would impact its financial position.
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
 - iv. the Company has provided disclosures in Note 29 to the financial statements regarding holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016. Based on the audit procedures performed and taking into consideration the information and explanations given to us, in our opinion, the total receipts and total deposits in bank are in accordance with the books of account maintained by the Company. However, in absence of sufficient appropriate audit evidence, we are unable to comment upon the appropriateness of classification between specified bank notes and other denomination notes of 'permitted receipts', 'non-permitted receipts' and 'deposits in banks' as disclosed under such note.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Sd/-

per **Sumesh E S**

Partner

Membership No.: 206931

Place: Thiruvananthapuram

Date: 08 May 2017

Annexure A to the Independent Auditor's Report of even date to the members of Muthoot Microfin Limited, on the financial statements for the year ended 31 March 2017

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year, however, there is a regular program of verification once in three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The Company does not hold any immovable property (in the nature of 'fixed assets'). Accordingly, the provisions of clause 3(i)(c) of the Order are not applicable.
- (ii) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.
- (v) The Company has not accepted any deposits from the public.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products/ services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) There are no dues in respect of income-tax, sales-tax, service-tax, duty of customs, duty of exercise and value added tax that have not been deposited with the appropriate authorities on account of any dispute.
- (viii) The Company has not defaulted in repayment of loans or borrowings to any financial institution or a bank or government or any dues to debenture-holders during the year.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purposes for which the loans were obtained, though surplus funds which were not required for immediate utilisation have been invested in liquid investments, payable on demand.
- (x) No fraud by the Company or on the company by its officers or employees has been noticed or reported during the period covered by our audit, except for misappropriation of cash aggregating to ₹5,316,699 through manipulation of 3,398 customer accounts by the employees of the Company identified by the management during the year, as stated in note 30 (x) to the financial statements. The Company has initiated disciplinary action against such employees, including termination of their employment contracts and recovery of the amounts. The Company has recovered ₹ 1,063,353 out of such amounts as at the year end and the balance amount of ₹ 4,253,346 is disclosed as recoverable under the head "Loan receivables". The Company is taking necessary steps to ensure recovery of such amount.
- (xi) The Company has not paid or provided for any managerial remuneration. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act,

where applicable, and the requisite details have been disclosed in the financial statements, as required by the applicable accounting standards.

- (xiv) During the year, the Company has made preferential allotment and private placement of equity shares and private placement of compulsorily convertible preference shares. In respect of the same, in our opinion, the Company has complied with the requirement of Section 42 of the Act and the Rules framed thereunder. Further, in our opinion, the amounts so raised were applied for the purposes for which these securities were issued, though idle/surplus funds which were not required for immediate utilisation have been invested in liquid investments, payable on demand.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and such registration has been obtained by the company.

For Walker Chandio & Co LLP
 Chartered Accountants
 Firm's Registration No.: 001076N/N500013

Sd/-
 per Sumesh E S
 Partner
 Membership No.: 206931

Place: Thiruvananthapuram
 Date: 08 May 2017

Annexure B to the Independent Auditor's Report of even date to the members of Muthoot Microfin Limited, on the financial statements for the year ended 31 March 2017

Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. In conjunction with our audit of the financial statements of MuthootMicrofin Limited ("the Company") as at and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting ("IFCoFR") of the Company as at that date.

Management's Responsibility for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to Company's policies, the safe guarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ("ICAI") and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, assessing

the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's IFCoFR include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the IFCoFR to future periods are subject to the risk that IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Sd/-

per **Sumesh E S**

Partner

Membership No.: 206931

Place: Thiruvananthapuram

Date: 08 May 2017



HARD EARNED ATTAINMENT

Loan ID- 4087#TNSM

Until 5 years ago, Mrs Pappa, a 38-year-old housewife from Pudur in Thenkasi, Tamil Nadu had to earn as a street milk vendor to make the two ends meet. She used to roam the streets and by lanes of her village and it was proving to be difficult for her physically as well as mentally. It was her dream to start a milk shop of her own but raising money to rent a place was beyond her reach at that time. It was then that the thought of a microfinance loan came in and she knew that she could comfortably do a small business with it.

It was her neighbours, who were group members of Muthoot Microfin encouraged her to approach Muthoot. She soon joined a Group and availed her first cycle loan of ₹ 15,000. She utilised the entire amount to rent a small shop and buy stocks. Within a couple of months her earnings increased remarkably. With the second cycle loan, she diversified the product line in her shop. She worked hard without even taking a day off. Ms Pappa is a successful dealer of a major milk brand now. She also gained a place in society where she is treated with respect.

Muthoot Microfin Limited

Balance Sheet

	Notes	As at 31 March 2017 (₹)	As at 31 March 2016 (₹)
Equity and liabilities			
Shareholders' funds			
Share capital	3	88,16,79,440	60,00,00,000
Reserves and surplus	4	1,00,84,79,211	9,18,14,629
		1,89,01,58,651	69,18,14,629
Non-current liabilities			
Long-term borrowings	5	7,48,61,50,274	2,24,34,38,885
Other long-term liabilities	6	1,58,02,870	1,22,98,920
Long-term provisions	7	3,80,59,251	2,24,66,038
		7,54,00,12,395	2,27,82,03,843
Current liabilities			
Other current liabilities	6	5,05,97,37,034	2,27,96,78,437
Short-term provisions	7	8,81,29,035	2,93,94,363
		5,14,78,66,069	2,30,90,72,800
Total		14,57,80,37,115	5,27,90,91,272
Assets			
Non-current assets			
Fixed assets			
Tangible assets	9	7,06,31,751	2,22,64,136
Intangible assets	9	11,51,628	7,11,725
Capital work-in-progress		52,53,962	-
Deferred tax assets (net)	10	3,48,31,247	1,79,43,351
Loan receivables	11	3,34,13,74,212	1,63,04,24,572
Long-term loans and advances	12	3,40,10,197	56,03,145
Other non-current assets	13	56,79,89,561	17,01,57,188
		4,05,52,42,558	1,84,71,04,117
Current assets			
Trade receivables	14	1,77,59,812	72,13,978
Cash and bank balances	15	3,46,38,00,138	60,28,76,697
Loan receivables	11	6,57,74,92,430	2,68,59,42,632
Short-term loans and advances	12	56,04,055	1,65,723
Other current assets	13	45,81,38,122	13,57,88,125
		10,52,27,94,557	3,43,19,87,155
Total		14,57,80,37,115	5,27,90,91,272

Notes 1 to 31 form an integral part of these financial statements

This is the balance sheet referred to in our report of even date

For **Walker Chandiook & Co LLP**
Chartered Accountants

Sd/-
per **Sumesh E S**
Partner

For and on behalf of the Board of Directors of
Muthoot Microfin Limited

Sd/-
Thomas John Muthoot
Director
DIN: 00011618

Sd/-
Neethu Ajay
Company Secretary

Sd/-
Thomas George Muthoot
Director
DIN: 00011552

Sd/-
Praveen T
Chief Financial Officer

Place: Thiruvananthapuram
Date: 08 May 2017

Place: Thiruvananthapuram
Date: 08 May 2017

Muthoot Microfin Limited

Statement of profit and loss

	Notes	As at 31 March 2017 (₹)	As at 31 March 2016 (₹)
Revenue			
Revenue from operations	16	2,43,84,11,704	52,15,45,384
Other income	17	27,172	16,314
Total revenue		2,43,84,38,876	52,15,61,698
Expenses			
Employee benefits expense	18	65,23,09,841	8,33,44,318
Finance costs	19	81,78,59,240	21,06,13,887
Depreciation and amortisation	20	97,30,456	1,66,207
Other expenses	21	38,63,27,681	8,14,22,242
Total expenses		1,86,62,27,218	37,55,46,654
Profit before tax		57,22,11,658	14,60,15,044
Tax expense/ (income)			
Current tax		21,87,18,158	6,87,95,261
Deferred tax		(1,68,87,896)	(1,68,80,864)
		20,18,30,262	5,19,14,397
Net profit for the year		37,03,81,396	9,41,00,647
Earnings per equity share			
Basic (₹)	23	4.88	2.10
Diluted (₹)		4.81	2.10
Par value of equity shares (₹)		10	10

Notes 1 to 31 form an integral part of these financial statements

This is the statement of profit and loss referred to even date

For **Walker Chandiok & Co LLP**
Chartered Accountants

Sd/-
per **Sumesh E S**
Partner

For and on behalf of the Board of Directors of
Muthoot Microfin Limited

Sd/-
Thomas John Muthoot
Director
DIN: 00011618

Sd/-
Neethu Ajay
Company Secretary

Sd/-
Thomas George Muthoot
Director
DIN: 00011552

Sd/-
Praveen T
Chief Financial Officer

Place: Thiruvananthapuram
Date: 08 May 2017

Place: Thiruvananthapuram
Date: 08 May 2017

Muthoot Microfin Limited

Cash flow statement

	Notes	As at 31 March 2017 (₹)	As at 31 March 2016 (₹)
Cash flows from operating activities			
Profit before tax		57,22,11,658	14,60,15,044
Adjustments			
Depreciation and amortisation		97,30,456	1,66,207
Provision for employee benefits		94,28,495	61,61,792
Provision for loan losses		5,73,92,244	4,31,55,199
Interest on income tax		44,71,305	-
Operating profit before working capital changes		65,32,34,158	19,54,98,242
Increase in other long-term liabilities		35,03,950	1,22,98,920
(Decrease) in long-term provisions		(1,09,44,778)	-
Increase in other current liabilities		83,78,23,507	37,83,37,352
(Increase) in non-current loan receivables		(1,71,09,49,640)	-1,63,00,15,759
(Increase) in long-term loans and advances		(2,39,37,021)	(40,44,551)
(Increase) in other non-current assets		(30,08,043)	-1,42,73,776
(Increase) in trade receivables		(1,05,45,834)	-72,13,978
(Increase) in current loan receivables		(3,89,15,49,798)	-2,68,55,04,195
(Increase) in short-term loans and advances		(54,38,332)	-15,723
(Increase) in other current assets		(32,23,49,997)	-13,51,18,609
Cash (used in) operating activities		(4,48,41,61,828)	(3,89,00,52,076)
Income taxes paid (net)		(20,47,38,058)	(6,62,60,324)
Net cash (used in) operating activities		(4,68,88,99,886)	(3,95,63,12,400)
Cash flows from investing activities			
Purchase of tangible assets (including capital advances and capital work-in-progress)		(6,78,86,115)	-73,15,520
Purchase of intangible assets		(6,19,900)	-3,55,000
Proceeds from sale of tangible assets		2,44,049	-
Investments in deposits (net)		(58,92,91,433)	-27,77,90,314
Net cash (used in) investing activities		(65,75,53,399)	(28,54,60,834)
Cash flows from financing activities			
Proceeds from issue of equity shares including share premium		40,49,99,882	54,50,00,000
Proceeds from issue of preference shares including share premium		49,49,99,935	-
Securities issue expenses		(7,20,36,673)	
Proceeds from borrowings		9,66,46,20,037	4,44,61,69,203
Repayment of borrowings		(2,47,96,73,558)	-31,78,00,637
Net cash generated from financing activities		8,01,29,09,623	4,67,33,68,566
Net increase in cash and cash equivalents		2,66,64,56,338	43,15,95,333

Cash and cash equivalents as at the beginning of the year	48,09,69,795	4,93,74,462
Cash and cash equivalents as at the end of the year	3,14,74,26,133	48,09,69,795
Notes:		
Cash and cash equivalents comprises of		
Balances with banks		
- in current accounts	30,36,56,764	21,93,95,972
- in deposit account (with maturity up to 3 months)	2,81,77,76,064	26,08,00,000
Balances with cash collection agents	2,59,93,305	7,73,823
	3,14,74,26,133	48,09,69,795

Notes 1 to 31 form an integral part of these financial statements

This is the cash flow statement referred to in our even date

For **Walker Chandiok & Co LLP**
Chartered Accountants

Sd/-
per **Sumesh E S**
Partner

Place: Thiruvananthapuram
Date: 08 May 2017

For and on behalf of the Board of Directors of
Muthoot Microfin Limited

Sd/-
Thomas John Muthoot
Director
DIN: 00011618

Sd/-
Neethu Ajay
Company Secretary

Place: Thiruvananthapuram
Date: 08 May 2017

Sd/-
Thomas George Muthoot
Director
DIN: 00011552

Sd/-
Praveen T
Chief Financial Officer

Muthoot Microfin Limited

Summary of significant accounting policies and other explanatory information

1. General information

a. Background

"Muthoot Microfin Limited ('the Company') was incorporated as a private limited company in the year 1992 under the erstwhile Companies Act, 1956. Effective 18 March 1998, the Company was registered as a non-deposit accepting Non Banking Financial Company ('NBFC-ND') under the rules and regulations framed by the Reserve Bank of India ('the RBI'). In accordance with the Notification issued by the RBI vide reference no. RBI/2011-12/290, DNBS.CC.PD.No.250/03.10.01/2011-12, dated 2 March 2011, the Company has obtained registration under the category of Non-Banking Financial Company - Micro Finance Institutions ('NBFC-MFI'), w.e.f 25 March 2015. During the current year, the Company had its non-convertible debentures listed on the Bombay Stock Exchange ('BSE').

The operations of the Company are based on the Grameen model of lending. It is designed to promote entrepreneurship among women and inclusive growth. The Company provides financial assistance through micro loans to women engaged in small income generating activities. The company also facilitates entrepreneurship development and harnesses entrepreneurship skills through skill development workshops and financial literacy classes for its clients.

In addition to the core business of providing micro-credit, the Company uses its distribution channel to provide loans to the members for the purchase of productivity-enhancing products such as solar lamps, mobile phones and water purifiers."

b. Comparatives

All amounts in the financial statements are presented in Indian Rupees except share data and as otherwise stated. Figures for the previous year have been regrouped / re-classified wherever considered necessary to conform to the figures presented in the current year. The Company commenced active operations including obtaining borrowings from bankers and disbursement of loans from September 2015. Accordingly, the figures for the previous year do not represent active operations for the full year and are therefore not strictly comparable.

2. Significant accounting policies

a. Basis of preparation of financial statements

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the Accounting Standards notified under section 133 of the Companies Act 2013 ('the Act'), read together with rule 7 of the Companies (Accounts) Rules, 2014 and the provisions of the RBI as applicable to a NBFC-MFI and Systemically Important NBFC-ND. The financial statements have been prepared on an accrual basis and under the historical cost convention, except in the case of Non Performing Assets ("NPAs"), where interest is recognised upon realisation.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. The management evaluates all recently issued or revised accounting standards on an ongoing basis.

b. Use of estimates

"The preparation of the financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Examples of such estimates include provisions for doubtful loans and advances, provision for loss assets, loan receivables, future obligations under employee retirement benefit plans, income taxes and the useful lives of fixed assets. Further the classification of assets and liabilities into current and non-current is based on the estimation of the operating cycle of the Company.

Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods."

c. Tangible assets

Tangible assets are carried at cost of acquisition or construction less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price, including duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use.

Gains or losses arising on the disposal of the tangible assets are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in the statement of profit and loss within other income or other expenses, as the case may be.

Depreciation is provided using straight line method at the rates of depreciation prescribed in Schedule II of the Companies Act, 2013.

d. Intangible assets

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and install the specific software. These assets are amortised over their estimated useful lives on a straight line basis, commencing from the date the assets is available to the Company for its use. After initial recognition, intangible assets are carried at its cost less any accumulated amortisation and any accumulated impairment losses.

When an intangible asset is disposed of, the gain or loss on disposal is determined as the difference between the disposal proceeds and the carrying amount of the asset, and is recognised in the statement of profit and loss within other income or other expenses, as the case may be.

The useful life of the assets is reviewed at each balance sheet date. If the expected useful life of the asset is significantly different from the previous estimates, the amortisation period is changed accordingly. If there has been a significant change in the expected pattern of economic benefit from the asset, the method of amortisation is changed to reflect the changed pattern. Such changes are accounted in accordance with Accounting Standard (AS) 5, Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.

e. Impairment

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. Recoverable amount is the higher of the asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

f. Operating lease

Where the Company is a lessee, payments on operating lease agreements are recognised as an expense on a straight-line basis over the lease term. Associated costs such as maintenance and insurance are expensed as incurred.

g. Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the collectibility is reasonably assured.

- i. Interest on loans is recognised on accrual basis, except in the case of Non Performing Assets ("NPAs"), where interest is recognised upon realisation.
- ii. Interest income on deposits with banks is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.
- iii. Loan processing fees is accounted up-front as and when it becomes due.
- iv. Excess interest spread on securitization/direct assignment represents income from receivables securitized/ assigned is accounted in accordance with the relevant guidelines issued by the RBI. The losses arising are recognized in the Statement of Profit and Loss immediately upon receipt of sale consideration and the gains arising from the transaction are amortized over the tenor of the transaction.

Interest retained under assignment of loan receivables is recognised on realisation basis over the life of the underlying loan portfolio.

- v. Commission income is recognised on an accrual basis on the completion of the service in accordance with the terms of the agreement.
- vi. All other income is recognised on an accrual basis.

h. Securitization/assignment of loans and advances

Transactions relating to transfers of loans and advances through securitization/assignment with other financial institutions and banks are accounted for in accordance with the relevant guidelines issued by the RBI. Such transferred loans and advances are de-recognised from the financial statements and gains/losses are accounted for only where the Company surrenders rights and obligations specified in the loan contract in favour of the counter parties.

i. Asset classification and provisioning

The Company follows the asset classification and provisioning norms as per the RBI Guidelines (Master Circular- Introduction of New Category of NBFCs - 'Non Banking Financial Company-Micro Finance Institutions' (NBFC-MFIs) - Directions)

Asset category	Classification
Standard assets	Asset in respect of which no default in repayment of principal or payment of interest is perceived and which does not disclose any problem nor carry more than normal risk attached to the business.
Non-performing assets**	Asset for which, interest/principal payment has remained overdue for a period of 90 days or more.

** RBI vide Notification No. DBR.No.BP.BC.37/21.04.048/2016-17 dated November 21, 2016 and vide Notification No. DBR.No.BP.BC.49/21.04.048/2016-17 dated December 28, 2016 has given additional 90 days dispensation for classification of non-performing assets in the wake of demonetisation. The dispensation will apply to dues which were payable between November 1, 2016 and December 31, 2016.

Provisioning

Higher of a) 1% of the outstanding loan portfolio or b) 50% of the aggregate loan instalments which are overdue for more than 90 days and less than 180 days and 100% of the aggregate loan instalments which are overdue for 180 days or more.

j. Borrowing cost

Borrowing cost includes interest incurred in connection with the arrangement of borrowings. Borrowing costs directly attributable to the construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they are incurred.

k. Employee benefits

- (i) **Defined contribution plan:** The Company makes contribution to statutory provident fund in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952. Eligible employees receive benefits from the provident fund, which is a defined contribution plan. Both the employee and the Company make monthly contributions to the provident fund plan equal to specified percentage of the covered employee's basic salary. The Company has no further obligations under the plan beyond its monthly contributions. Contributions to provident fund are charged to the statement of profit and loss on accrual basis
- (ii) **Gratuity:** The Company provides gratuity, a defined benefit retirement plan covering eligible employees. Liabilities related to the gratuity plan are determined by an independent actuarial valuation carried out using projected unit credit method as at the balance sheet date. Actuarial gain or loss is recognized immediately in the statement of profit and loss.
- (iii) **Compensated absences:** Compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

I. Taxation

Provision for tax for the year comprises current income tax and deferred tax.

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantially enacted at the reporting date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Unrecognised deferred tax assets of earlier years are re-assessed and recognised to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realized.

In computing current taxes the Company takes into consideration the benefits admissible under the provisions of the Income Tax Act, 1961. In cases wherever the tax liability computed as per above is less than the Minimum Alternate Tax, the Company is liable to pay the Minimum Alternate Tax (MAT), in accordance with Section 115JB of the Income Tax Act, 1961. MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the Minimum Alternative tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of profit and loss account and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

m. Earnings per equity share

The basic earnings per equity share ("EPS") is computed by dividing the net profit / loss after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of diluted earnings per share, the net profit / loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for effects of all dilutive potential equity shares.

n. Provisions, contingent liabilities and contingent assets

The Company creates a provision when there is present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. The amount of provision recognised are best estimates of expenditure that are required to settle the obligation at the balance sheet date. The estimates are not discounted to their present value.

A disclosure for a contingent liability is made when there is possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are neither recognized nor disclosed in the financial statements.

o. Securities issue expenses

Securities issue expenses and redemption premium, if any, are adjusted against the securities premium account as permissible under the Act, to the extent balance is available for utilisation in the securities premium account.

p. Cash flow statement

Cash flows are reported using the indirect method, whereby profit / loss before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, financing and investing activities of the Company are segregated based on the available information. Cash comprises of cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

As at 31 March 2017			As at 31 March 2017	
Number		₹	Number	₹
3. Share capital				
Authorised				
Equity shares of ₹10 each	15,00,00,000	1,50,00,00,000	7,50,00,000	75,00,00,000
Compulsorily Convertible Preference shares of ₹10 each	5,00,00,000	50,00,00,000	-	-
	20,00,00,000	2,00,00,00,000	7,50,00,000	75,00,00,000
Issued, subscribed and fully paid up				
Equity shares of ₹10 each	8,38,51,586	83,85,15,860	6,00,00,000	60,00,00,000
Compulsorily Convertible Preference shares of ₹10 each	43,16,358	4,31,63,580	-	-
	8,81,67,944	88,16,79,440	6,00,00,000	60,00,00,000

a) Reconciliation of equity share capital	Number	₹	Number	₹
Balance at the beginning of the year	6,00,00,000	60,00,00,000	55,00,000	5,50,00,000
Add : Issued during the year	2,38,51,586	23,85,15,860	5,45,00,000	54,50,00,000
Balance at the end of the year	8,38,51,586	83,85,15,860	6,00,00,000	60,00,00,000

b) Reconciliation of preference share capital	Number	₹	Number	₹
Balance at the beginning of the year	-	-	-	-
Add : Issued during the year	43,16,358	4,31,63,580	-	-
Balance at the end of the year	43,16,358	4,31,63,580	-	-

c) Shares held by the holding company	Number	₹	Number	₹
Equity shares of ₹10 each	-	-	-	-
Muthoot Fincorp Limited	7,00,26,532	83.51%	5,91,54,540	98.59%

d) Shareholders holding more than 5% of the shares	Number	₹	Number	₹
Equity shares of ₹10 each	-	-	-	-
Muthoot Fincorp Limited	7,00,26,532	83.51%	5,91,54,540	98.59%
Thomas Muthoot	44,91,496	5.36%	-	-
Thomas George Muthoot	44,71,519	5.33%	-	-
Thomas John Muthoot	44,72,929	5.33%	-	-

e) Compulsorily Convertible Preference shares of ₹10 each				
Creation Investments India LLC	43,16,358	100.00%	-	-

f) Rights, preferences and restrictions attached to equity shares

The Company has two classes of shares, equity shares having a par value of ₹10 per share and preference shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors in any financial year is subject to the approval of the shareholders in the ensuing Annual General Meeting, except interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be

in proportion to the number of equity shares held by the shareholders. The equity shares shall be transferable subject to the provisions contained in the Articles of Association and in the agreements entered / to be entered into with the investors / shareholders from time to time.

g) Rights, preferences and restrictions attached to preference shares

The Company has issued compulsorily convertible preference shares having a face value of ₹10 per share. At the option of the holders, these preference shares, either in whole or in part, may be converted into equity shares at the occurrence of certain specified events. However, the preference shares shall be converted before the expiry of 10 years from the date of issuance. Each compulsorily convertible preference share may be converted into one equity share without any additional payment. Each holder of the compulsorily convertible preference shares is entitled to one vote per share. Dividend on each compulsorily convertible preference shares is 0.001% per annum, subject to cash flow solvency, and such dividend shall be a cumulative preferred dividend. In the event of liquidation of the Company, the holders of compulsorily convertible preference shares shall have a preference over other share holders of the Company.

h) There were no shares issued (31 March 2016: Nil) for consideration other than cash during the period of five years immediately preceeding the reporting date.

i). Stock option plan

The Company has introduced a stock option plan that provides for the granting of stock options to employees of the Company. The objectives of the plan includes attracting and retaining the best personnel, providing for additional performance incentives and promoting the success of the Company by providing employees the opportunity to acquire equity shares.

The Shareholders of the Company at the EGM held on December 05, 2016 approved an Employee Stock Option Plan (the "2016 Plan"). The 2016 Plan provides for issuance of 1,235,280 options, convertible to equivalent number of equity shares of ₹10 each, to the employees. During the current year 665,000 options have been granted at an exercise price of ₹ 14 per option. The market price is in accordance with the valuation of a registered valuer. The options vest over a period of 4 years from the date of grant in a graded manner, with 25% of the options vesting each year. The vested options may be exercised subject to the approval of the board. The Company has formulated the MML Employee Welfare Trust, for the purpose of administering the above scheme and has given an advance of ₹14,850,000 for the purpose of acquiring shares of the Company.

A summary of the status of the options granted under 2016 plan as at March 31, 2017 is presented below.

	Number of shares	Weighted average remaining contractual life (in years)	Weighted average exercise price (₹)
Outstanding at the beginning of the year	-	-	-
Granted during the year	6,65,000	-	14
Outstanding at the end of the year	6,65,000	5.68	14
Exercisable at the end of the year	-	-	-

	As at 31 March 2017 ₹	As at 31 March 2016 ₹
4. Reserves and surplus		
Securities premium		
Balance at the beginning of the year	-	-
Add : Premium on equity shares issued during the year	16,64,84,022	-
Add : Premium on preference shares issued during the year	45,18,36,355	-

Less : Utilised towards share issue expenses	(7,20,36,673)	-
Balance at the end of the year	54,62,83,704	-
Statutory reserve		
Balance at the beginning of the year	1,88,66,002	45,872
Add : Transferred from surplus in statement of profit and loss*	7,40,76,279	1,88,20,130
Balance at the end of the year	9,29,42,281	1,88,66,002
Surplus in statement of profit and loss		
Balance at the beginning of the year	7,29,48,627	(23,31,892)
Add : Transferred from statement of profit and loss	37,03,81,396	9,41,00,649
Less : Transferred to statutory reserve*	(7,40,76,279)	(1,88,20,130)
Less : Dividend to preference shareholders	(432)	-
Less : Dividend distribution tax	(86)	-
Balance at the end of the year	36,92,53,226	7,29,48,627
	1,00,84,79,211	9,18,14,629

* In accordance with the provision of Section 45-IC of the Reserve Bank of India Act, 1934, the Company being an NBFC, has transferred 20% of the profit after tax for the year to the statutory reserve.

	As at 31 March 2017 ₹	As at 31 March 2016 ₹
5. Long-term borrowings (Also, refer note 30)		
Secured		
Redeemable non-convertible debentures	2,05,00,00,000	-
Finance lease obligations	5,37,364	-
Term loans		
From banks	7,34,20,51,693	2,98,56,45,946
From other financial institutions	1,67,07,25,988	1,14,27,22,620
	11,06,33,15,045	4,12,83,68,566
Unsecured, subordinated		
Term loans	-	-
From banks		
From other financial institutions	25,00,00,000	-
	25,00,00,000	-
Less: Classified as other current liabilities (Also, refer note 6)		
Current maturities of long-term debt		

From banks	3,03,59,72,591	1,37,31,72,201
From other financial institutions	79,10,84,698	51,17,57,480
Current maturities of finance lease obligations	1,07,482	-
	3,82,71,64,771	1,88,49,29,681
	748,61,50,274	2,24,34,38,885

a) Disclosure in respect of finance lease obligations

The lease payments are determined on the basis of the lease agreements entered into with the constituents and the future lease commitments are given below:

Particulars	Minimum payments	Minimum payments
Payable not later than 1 year	1,54,566	
Payable later than 1 year not later than five years	5,02,338	-
	6,56,904	-
Less : Amounts representing interest	(1,19,540)	
	5,37,364	-
Represented as		
- Current maturities of finance lease obligations	1,07,482	-
- Finance lease obligations under long term borrowings	4,29,882	-

As at 31 March 2017			As at 31 March 2016	
6. Other liabilities	Long-term ₹	Current ₹	Long-term ₹	Current ₹
Current maturities of long-term debt (Also, refer note 5)				
From banks	-	3,03,59,72,591	-	1,37,31,72,201
From other financial institutions	-	79,10,84,698	-	51,17,57,480
Current maturities of finance lease obligations	-	1,07,482	-	-
Creditor for capital goods	-	30,07,647	-	1,62,55,655
Unrealised gain on loan transfer transactions	1,58,02,870	35,78,19,587	1,22,98,920	10,65,84,654
Interest accrued but not due	-	10,53,56,405	-	4,02,46,560
Payables towards securitisation/ assignment transactions	-	62,61,35,961	-	13,28,46,898
Income received in advance	-	24,46,942	-	11,14,589
Employee related payables	-	4,46,97,813	-	86,38,886
Statutory dues payable	-	1,71,63,981	-	82,69,330
Other payables	-	7,59,43,927	-	8,07,92,184
	1,58,02,870	5,05,97,37,034	1,22,98,920	2,27,96,78,437

As at 31 March 2017			As at 31 March 2016	
7. Provisions	Long-term ₹	Current ₹	Long-term ₹	Current ₹
Provision against standard assets (Also, refer note 27)	3,34,13,742	6,68,54,635	1,63,04,246	2,68,35,457
Provision against non-performing assets (Also, refer note 27)	-	2,87,539	-	23,969
Provision for income tax (net of advance taxes)	-	2,09,86,343	-	25,34,937
Provision for gratuity (Also, refer note 8(i))	32,65,789	-	42,73,626	-
Provision for compensated absences (Also, refer note 8(ii))	13,79,720	-	18,88,166	-
Provision for proposed dividend	-	432	-	-
Provision for tax on proposed dividend	-	86	-	-
	3,80,59,251	8,81,29,035	2,24,66,038	2,93,94,363

	As at 31 March 2017 ₹	As at 31 March 2016 ₹
a) Provision against standard assets		
Opening balance	4,31,39,703	8,473
Add: Provision made during the year	5,71,28,674	4,31,31,230
Balance at the end of the year	10,02,68,377	4,31,39,703
b) Provision for non-performing assets		
Opening balance	23,969	-
Add: Provision made during the year	2,63,570	23,969
Balance at the end of the year	2,87,539	23,969

8. Employee benefits

i) Gratuity

In accordance with applicable Indian laws, the Company provides for gratuity, a defined benefit retirement plan ("the Gratuity Plan") covering eligible employees. The Gratuity Plan provides for a lump sum payment to vested employees on retirement (subject to completion of five years of continuous employment), death, incapacitation or termination of employment that are based on last drawn salary and tenure of employment. The Company has taken a group gratuity policy for its employees with the Life Insurance Corporation of India ("LIC").

The following table set out the status of the gratuity plan as required under Accounting Standard (AS) - 15 - Employee benefits and the reconciliation of opening and closing balances of the present value of the defined benefit obligation and fair value of plan assets.

	As at 31 March 2017 ₹	As at 31 March 2016 ₹
Change in projected benefit obligation		
Projected benefit obligation at the beginning of the year	42,73,626	-
Service cost	29,91,890	7,00,221
Interest cost	4,61,565	28,008

Actuarial loss	86,48,885	35,45,397
Projected benefit obligation at the end of the year	1,63,75,966	42,73,626
Change in plan assets		
Fair value of plan assets at the beginning of the year	-	-
Contributions made by the Company	89,30,689	-
Contributions made by Muthoot Fincorp Employee Gratuity Trust (Refer note below)	41,79,488	
Fair value of plan assets at the end of the year	1,31,10,177	-
Reconciliation of present value of obligation on the fair value of plan assets		
Present value of projected benefit obligation at the end of the year	-1,63,75,966	-42,73,626
Funded status of the plan	1,31,10,177	-
Asset/(liability) recognised in the balance sheet	(32,65,789)	(42,73,626)
Components of net gratuity costs are		
Service cost	29,91,890	7,00,221
Interest cost	4,61,565	28,008
Recognized net actuarial loss	86,48,885	35,45,397
Contributions made by Muthoot Fincorp Employee Gratuity Trust (Refer note below)	-41,79,488	-
Net gratuity costs recognised in the statement of profit and loss (Refer note 18)	79,22,852	42,73,626
Assumptions used		
Discount rate	8.00%	8.00%
Long-term rate of compensation increase	7.00%	5.00%
Attrition rate	20.00%	20.00%
Average remaining service period (in years)	32.80	32.63
Expected return on plan assets	8.00%	-

Note:

During the current year and the previous year, employees were transferred to the Company from Muthoot Fincorp Limited("the holding company"). The period served by the employees in the holding company has been considered for the purpose of calculating the period of continuous service and accordingly has been included while estimating the present value of defined benefit obligation. The gratuity trust of the holding company has made a direct contribution of ₹4,179,488 to LIC, which represents the estimated present value of defined benefit obligation arising on account of the period served by the employees in the holding company.

II. Compensated absences

The Company permits encashment of compensated absences accumulated by their employees on retirement, separation and during the course of service. The liability in respect of the Company, for outstanding balance of privilege leave at the balance sheet date is determined and provided on the basis of actuarial valuation performed by an independent actuary. The Company maintains plan assets with LIC to fund its obligation towards compensated absences.

Principal actuarial assumptions used :		
Discount rate	8.00%	8.00%
Long-term rate of compensation increase	7.00%	5.00%
Attrition rate	20.00%	20.00%
Average remaining service period (in years)	32.80	32.63
Expected return on plan assets	8.00%	-

9. FIXED ASSETS							In ₹
Tangible assets							Intan- gible assets
	Computer and accesso- ries	Furniture and fix- tures	Office equipment	Vehi- cles*	Electrical Fittings	Total	Software
Gross block							
Balance as at 31 March 2015	78,500	-	8,675	-	-	87,175	-
Additions	49,65,587	1,04,51,247	69,81,167	-	-	2,23,98,001	7,35,000
Balance as at 31 March 2016	50,44,087	1,04,51,247	69,89,842	-	-	2,24,85,176	7,35,000
Additions	1,05,78,495	2,68,23,366	1,34,14,618	7,66,928	65,78,715	5,81,62,122	6,19,900
Disposal of assets	-	-	(2,49,900)	-	(38,998)	(2,88,898)	-
Balance as at 31 March 2017	1,56,22,582	3,72,74,613	2,01,54,560	7,66,928	65,39,717	8,03,58,400	13,54,900

Accumulated depreciation and amortisation							
Balance as at 31 March 2015	72,226	-	5,882	-	-	78,108	-
Charge for the year	27,838	37,708	77,386	-	-	1,42,932	23,275
Balance as at 31 March 2016	1,00,064	37,708	83,268	-	-	2,21,040	23,275
Charge for the year	47,64,353	17,78,252	27,30,306	71,947	2,05,601	95,50,459	1,79,997
Reversal on dis- posal of assets	-	-	(43,666)	-	(1,184)	(44,850)	-
Balance as at 31 March 2017	48,64,417	18,15,960	27,69,908	71,947	2,04,417	97,26,649	2,03,272

Net block							
Balance as at 31 March 2016	49,44,023	1,04,13,539	69,06,574	-	-	2,22,64,136	7,11,725
Balance as at 31 March 2017	1,07,58,165	3,54,58,653	1,73,84,652	6,94,981	63,35,300	7,06,31,751	11,51,628

	As at 31 March 2017 ₹	As at 31 March 2016 ₹
10. Deferred taxes		
Deferred tax liabilities arising on account of:	-	-
Timing difference between depreciation and amortisation as per financials and depreciation as per tax	(15,76,862)	-
Deferred tax assets arising on account of:		
Timing difference between depreciation and amortisation as per financials and depreciation as per tax	-	8,75,726
Provision for loan losses	3,48,00,391	1,49,35,151
Provision for employee benefits	16,07,718	21,32,474
	3,64,08,109	1,79,43,351
Net deferred tax asset	3,48,31,247	1,79,43,351
Movement during the year		
Opening balance	1,79,43,351	10,62,487
Recognised in the statement of profit and loss	1,68,87,896	1,68,80,864
Balance at the end of the year	3,48,31,247	1,79,43,351

As at 31 March 2017			As at 31 March 2016	
11. Loan receivables	Non-current ₹	Current ₹	Non-current ₹	Current ₹
Joint liability group loans				
Unsecured, considered good	3,21,71,33,589	6,15,49,21,683	1,56,71,32,697	2,57,78,45,277
Unsecured, considered doubtful*	-	1,65,94,889	4,27,409	16,82,977
	3,21,71,33,589	6,17,15,16,572	1,56,75,60,106	2,57,95,28,254
Individual loans				
Secured, considered good	-	24,05,62,025	-	10,62,49,301
Secured, considered doubtful*	-	1,15,08,598	-	1,65,077
	-	25,20,70,623	-	10,64,14,378
Joint liability group loans placed as collateral towards securitisation transactions (Also, refer note 31(d))				
Unsecured, considered good	12,42,40,623	15,32,54,834	6,27,43,018	-
Unsecured, considered doubtful*	-	6,50,401	1,21,448	-
	12,42,40,623	15,39,05,235	6,28,64,466	-
	3,34,13,74,212	6,57,74,92,430	1,63,04,24,572	2,68,59,42,632

* Represents non-performing assets as per the Company's asset classification policy (Also, refer note 2(h))

As at 31 March 2017			As at 31 March 2016	
12. Loans and advances	Long-term ₹	Short-term ₹	Long-term ₹	Short-term ₹
(Unsecured, considered good)				
Security deposits (Refer note 26)	1,37,88,522	-	42,20,013	-
Capital advances	52,63,205	-	7,93,174	-
Loans to employees	-	2,53,182	-	1,65,723
Balances with government authorities	1,08,470	13,24,874	4,84,958	-
Advance to related parties (Refer note 26)	1,48,50,000	-	-	-
Other advances	-	40,25,999	1,05,000	-
	3,40,10,197	56,04,055	56,03,145	1,65,723

As at 31 March 2017			As at 31 March 2016	
13. Other assets	Non-current ₹	Current ₹	Non-current ₹	Current ₹
Non-current bank balances (Refer note 15)	55,07,07,742	-	15,58,83,412	-
Interest strip retained on securitisation of receivables	1,58,02,870	35,78,19,587	1,24,24,438	12,12,99,693
Interest accrued on				
- Bank deposits	14,78,949	58,04,506	18,49,338	31,05,468
- Loan receivables	-	9,45,14,029	-	1,13,82,964
	56,79,89,561	45,81,38,122	17,01,57,188	13,57,88,125

	As at 31 March 2017 ₹	As at 31 March 2016 ₹
14. Trade receivables		
(Unsecured, considered good)		
Outstanding for a period exceeding six months from the date they are due for payment	-	-
Other receivables (Also, refer note 26)	1,77,59,812	72,13,978
	1,77,59,812	72,13,978

15. Cash and bank balances		
Cash and cash equivalents	-	-
Balances with banks		
- in current accounts	30,36,56,764	21,93,95,972
- in deposit accounts (with maturity up to 3 months)	2,81,77,76,064	26,08,00,000
	3,12,14,32,828	48,01,95,972
Balances with cash collection agents	2,59,93,305	7,73,823
	2,59,93,305	7,73,823
Other bank balances		
Deposits with bank held as security against borrowings and other commitments	86,70,81,747	27,77,90,314
	86,70,81,747	27,77,90,314
Less : Amounts disclosed as 'Other non-current assets' (Refer note 13)	55,07,07,742	15,58,83,412
	3,46,38,00,138	60,28,76,697

	As at 31 March 2017 ₹	As at 31 March 2016 ₹
16. Revenue from operations		
Interest income on		
- Loans given	1,35,76,24,030	38,11,29,924
- Fixed deposits	5,66,36,082	1,06,02,070
Loan processing fees	20,30,86,142	7,66,18,575
Excess interest spread on securitisation/direct assignment	70,49,97,789	3,16,16,527
Commission income	11,25,67,661	2,14,78,288
Service fee for management of receivables	35,00,000	1,00,000
	2,43,84,11,704	52,15,45,384
17. Other income		
Other non-operating income	27,172	16,314
	27,172	16,314
18. Employee benefits expense		
Salaries and wages	58,17,89,556	7,18,29,440
Gratuity expense (Also, refer note 8(i))	79,22,852	42,73,626
Compensated absences (Also, refer note 8(ii))	15,05,643	18,88,166
Contribution to provident and other defined contribution funds	5,56,24,462	51,50,636
Staff welfare expenses	54,67,328	2,02,450
	65,23,09,841	8,33,44,318
19. Finance costs		
Interest expenses	74,73,69,844	17,90,03,735
Other borrowing costs	6,48,82,056	3,14,46,760
Interest on income tax	44,71,305	-
Bank charges	11,36,035	1,63,392
	81,78,59,240	21,06,13,887
20. Depreciation and amortisation expense		
Depreciation towards tangible assets (Also, refer note 9)	95,50,459	1,42,932
Amortisation towards intangible assets (Also, refer note 9)	1,79,997	23,275
	97,30,456	1,66,207
21. Other expenses		
Power and fuel	37,05,936	7,98,024
Rent and amenities	3,00,43,840	86,69,180
Repairs and maintenance - Others	13,44,248	9,90,472
Rates and taxes	83,66,981	25,50,959

Legal and professional charges	4,05,71,537	51,99,243
Payments to auditors		
Statutory audit	11,00,000	8,00,000
Tax audit	2,00,000	1,00,000
Other services	2,00,000	-
Traveling, conveyance and lodging expenses	3,38,01,878	28,35,308
Printing and stationery	1,36,42,610	6,98,285
Communication expenses	1,55,66,304	12,26,217
Provision for loan losses, net	5,73,92,244	4,31,55,199
CSR expenditure (Also, refer note 22 and note 26)	9,73,434	-
Cash management charges (Also, refer note 26)	13,13,20,184	18,76,884
Software support charges (Also, refer note 26)	3,23,12,500	1,07,50,000
Miscellaneous expenses	1,57,85,985	17,72,471
	38,63,27,681	8,14,22,242

22. Corporate social responsibility

a) Gross amount required to be spent by the Company during financial year ended 31 March 2017: ₹973,434

b) Amount spent during the financial year ended 31 March 2017 on:

	In cash	Yet to be paid	Total
Construction/acquisition of any asset	-	-	-
On purposes other than as specified above	9,73,434	-	9,73,434

23. Earnings per share Basic

Net profit as per the statement of profit and loss (₹)	37,03,81,396	9,41,00,647
Less: Preference dividend on CCPS (including dividend distribution tax)	518	-
Net profit attributable to equity shareholders (₹)	37,03,81,914	9,41,00,647
Weighted average number of equity shares	7,59,07,650	4,47,19,178
Basic earnings per share	4.88	2.10
Diluted		
Net profit as per the statement of profit and loss (₹)	37,03,81,396	9,41,00,647
Weighted average number of equity shares (Basic)	7,59,07,650	4,47,19,178
Add: Weighted average number of potential equity shares on conversion of CCPS	11,35,261	-
Weighted average number of equity shares (Diluted)	7,70,42,911	4,47,19,178
Diluted earnings per share	4.81	2.10

24. Payables to micro and small enterprises

Based on the information available with the Company, as at 31 March 2017, there are no suppliers who are registered as micro and small enterprises under the provisions of the Micro, Small and Medium Enterprises Development Act, 2006.

25. Contingent liabilities and commitments

Credit enhancements (cash collateral and principal subordination) provided by the Company towards securitisation transactions aggregating to ₹630,322,526 (31 March 2016: ₹116,747,878).

26. Related parties disclosures

As per the requirement of Accounting Standards 18, on related party disclosures, the name of the related parties with the description of the relationship and transactions between the reporting enterprise and its related parties, as identified by the management are as follows :

(a) Names of related parties

Nature of relationship	Name of the party
Holding Company	Muthoot Fincorp Limited
Entities in which KMP are able to exercise control or have significant influence	Muthoot Pappachan Technologies Limited MML Employee Welfare Trust Muthoot Pappachan Foundation
Key Management personnel (KMP)	Thomas George Muthoot, Director of holding company Thomas John Muthoot, Director of holding company Thomas Muthoot, Director of holding company Sadaf Sayeed, Chief Executive Officer

(b) Transaction with related parties			In ₹
	Name of the party	Year ended 31 March 2017	Year ended 31 March 2016
Cash management charges*	Muthoot Fincorp Limited	11,65,69,190	17,52,141
Commission income*	Muthoot Fincorp Limited	4,76,24,488	-
Software support charges*	Muthoot Pappachan Technologies Limited	3,00,00,000	1,00,00,000
Rent expenses*	Muthoot Fincorp Limited Thomas George Muthoot Thomas John Muthoot Thomas Muthoot	23,16,496 2,06,496 4,95,662 1,90,008	9,15,421 2,16,396 3,89,646 2,16,408
Reimbursement of expenses*	Muthoot Fincorp Limited	21,88,949	-
Purchase of assets	Muthoot Fincorp Limited	53,53,124	1,58,75,655
Advance given	MML Employee Welfare Trust	1,48,50,000	-
Rental deposits	Muthoot Fincorp Limited	7,82,940	6,58,820
CSR expenditure	Muthoot Pappachan Foundation	9,73,434	-
Remuneration	Sadaf Sayeed	55,32,900	32,27,525
*excluding service tax			

(c) Balance at the end of the year			In ₹
Nature	Name of the party	Year ended 31 March 2017	Year ended 31 March 2016
Cash management charges payable	Muthoot Fincorp Limited	-	7,71,465
Trade receivable (Commission income)	Muthoot Fincorp Limited	87,24,149	-
Software support charges payable	Muthoot Pappachan Technologies Limited	-	1,04,50,000
Rent payable	Muthoot Fincorp Limited	12,076	1,94,023
	Thomas George Muthoot	17,325	-
	Thomas John Muthoot	-	22,275
	Thomas Muthoot	-	-

Advance to related parties	Muthoot Microfin Employee Welfare Trust	1,48,50,000	
Creditor for capital goods	Muthoot Fincorp Limited	-	1,58,75,655
Rental deposit	Muthoot Fincorp Limited	14,41,760	6,58,820

27. Loans and advances

Loan portfolio has been classified in accordance with the directives issued by the Reserve Bank of India (Master Circular- Introduction of New Category of NBFCs - 'Non Banking Financial Company-Micro Finance Institutions' (NBFC-MFIs) - Directions). The necessary provisions as per RBI norms have been made. The details are as follows:

As at 31 March 2017			As at 31 March 2016	
Asset classification	Classification criteria	No. of accounts*	Amount outstanding ₹	Provision ₹
As at 31 March 2017				
Standard assets	0-90 days	5,61,977	9,73,76,11,081	9,87,43,360
Standard assets	90-180 days	10,531	15,25,01,673	15,25,017
Non-performing assets	90-180 days	416	28,18,321	28,183
Non-performing assets	180 days or more	2,674	2,59,35,567	2,59,356
		5,75,598	9,91,88,66,642	10,05,55,916
As at 31 March 2016				
Standard assets	0-90 days	2,48,871	4,31,39,70,293	4,31,39,703
Non-performing assets	90-180 days	165	20,85,405	20,854
Non-performing assets	180 days or more	21	3,11,506	3,115
		2,49,057	4,31,63,67,204	4,31,63,672

*Does not include loan receivables retained by the NBFC to comply with minimum retention requirement ('MRR').

28. Segment reporting

The Company is primarily engaged in the business of Micro finance. All the activities of the Company revolve around the main business. Further, the Company does not have any separate geographic segments other than India. As such there are no separate reportable segments as per AS-17 'Segment reporting'.

29. Disclosure on specified bank notes

The details of Specified Bank Notes (SBN) and other denomination notes held and transacted during the period from November 8, 2016 to December, 30 2016 is given below:

In ₹

	SBNs*	Other denomination	Total
Closing cash in hand as on 08 November 2016	-	-	-
Add: Permitted receipts	2,02,50,500	1,96,12,24,672	1,98,14,75,172
Less: Permitted payments	-	-	-
Less: Deposit in banks#	(2,02,50,500)	(1,96,12,24,672)	(1,98,14,75,172)
Closing cash in hand as on 30 December 2016	-	-	-

* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

Includes an amount of ₹1,641,444,901 which represents deposit of other denomination notes with cash collection agents.

30. Details of security, repayment terms, applicable interest rates

DEBENTURES							Outstanding as at	
S No.	Repayment terms	Interest commencement month	Principal repayment month	Interest rate p.a	Nature of the security	Loan taken during the year	31 March 2017 ₹	31 March 2016 ₹
1	Principal: Bullet re-payment Interest: Annual	Nov-16	Nov-19	12.00%	Exclusive charge over book debts equivalent to 100% of loan and interest amount.	25,00,00,000	25,00,00,000	-
2	Principal: Bullet re-payment Interest: Half-year	Oct-16	Sep-21	12.30%		1,40,00,00,000	1,40,00,00,000	-
3	"Principal: Bullet re-payment Interest: Quarterly"	Dec-16	Dec-19	12.00%		40,00,00,000	40,00,00,000	-
						2,05,00,00,000	2,05,00,00,000	-

UNSECURED LOANS							Outstanding as at	
S No.	Repayment terms	Interest commencement month	Principal repayment month	Interest rate p.a	Nature of the security	Loan taken during the year	31 March 2017	31 March 2016
1	Principal: Bullet repayment Interest: Monthly	Aug 16	Apr-22	13.75%	Unsecured	25,00,00,000	25,00,00,000	-
						25,00,00,000	25,00,00,000	-

SECURED TERM LOANS AND OTHER LOANS							Outstanding as at		
S No.	Repay-ment terms	No of install-ments	Amount per installment (₹)	Repayment com-mencement month	Interest rate p.a	Nature of the security	Loan taken during the year	31 March 2017 ₹	31 March 2016 ₹
1	Monthly	33	37,88,000	Dec-15	12.55%	Exclusive charge over book debts equivalent to 105% of loan amount and Cash margin of 10%.	-	6,43,92,000	10,98,48,000
2	Monthly	33	37,88,000	Feb-16	12.65%		-	7,19,68,000	11,74,24,000
3	Monthly	15	66,66,667	Jul-16	12.00%		-	4,00,00,006	10,00,00,000
4	Monthly	24	5,000,000-20,425,000	Jan-16	13.45%		-	8,83,00,000	33,87,25,000
5	Monthly	36	69,44,444	Apr-16	12.15%		-	15,97,28,000	25,00,00,000
6	Monthly	36	27,77,778	Jun-16	12.65%		10,00,00,000	7,22,22,220	-
7	Monthly	36	55,55,556	Apr-16	12.15%		20,00,00,000	17,22,22,225	-
8	Monthly	30	16,600,000-18,600,000	Oct-17	11.65%		50,00,00,000	50,00,00,000	-

SECURED TERM LOANS AND OTHER LOANS							Outstanding as at		
S No.	Repay-ment terms	No of install-ments	Amount per installment (₹)	Repay-ment com-mencement month	Inter-est rate p.a	Nature of the security	Loan taken during the year	31 March 2017 ₹	31 March 2016 ₹
9	Monthly	21	1,90,47,619	May-16	12.75%		-	20,23,80,963	40,00,00,000
10	Monthly	36	41,66,667	Jun-16	12.25%		-	11,23,39,117	15,00,00,000
11	Quarterly	8	2,50,00,000	Jun-16	12.50%		-	10,00,00,000	20,00,00,000
12	Monthly	30	1,66,66,667	Feb-17	11.50%		50,00,00,000	44,99,99,999	-
13	Monthly	36	1,38,88,889	Mar-17	12.30%		50,00,00,000	48,61,11,112	-
14	Monthly	30	2,50,00,000	Sep-17	11.25%		72,12,00,000	72,12,00,000	-
15	Monthly	36	1,38,88,889	Sep-17	11.30%		50,00,00,000	50,00,00,000	-
16	Monthly	30	1,66,66,667	Oct-17	11.60%		50,00,00,000	50,00,00,000	-
17	Quarterly	8	1,25,00,000	Apr-17	13.50%		10,00,00,000	10,00,00,000	-
18	Monthly	24	1,04,16,667	Jan-16	11.80%	Exclusive charge over book debts equivalent to 105% of loan amount and Cash margin of 7.5%.	-	9,37,49,995	21,87,46,642

	Monthly	18	1,55,19,827	Oct-15	14.35%	Exclusive charge over book debts equivalent to 105% of loan amount and Cash margin Nil	-	-	17,25,34,765
19	Monthly	18	1,55,19,827	Nov-15	14.35%		-	1,53,36,424	18,58,32,347
21	Monthly	24	1,40,59,504	Dec-16	13.25%		29,50,00,000	25,10,70,222	-
22	Monthly	33	30,30,303	Apr-16	12.50%	Exclusive charge over book debts equivalent to 110% of loan amount and Cash margin of 5%.	-	6,36,36,376	10,00,00,000
23	Monthly	33	15,15,152	Jul-16	12.50%		-	3,63,63,641	5,00,00,000
24	Monthly	46	42,49,000	Feb-16	13.00%		78,08,587	11,42,75,036	14,87,58,489
25	Monthly	30	61,70,000	Sep-16	12.00%		-	12,67,77,385	15,21,43,815
26	Quarterly	10	3,00,00,000	Jul-16	13.15%		-	21,00,00,000	30,00,00,000
27	Monthly	27	55,56,000	Oct-16	12.65%		15,00,00,000	12,77,77,701	-
28	Monthly	24	4,167,000-4,159,000	Apr-16	12.65%		-	4,99,94,299	10,00,00,000
29	Quarterly	11	9,000,000-10,000,000	Dec-16	12.50%		10,00,00,000	9,10,00,000	-
30	Quarterly	12	1,66,66,667	Mar-17	10.75%		20,00,00,000	20,00,00,000	-
31	Monthly	30	1,00,00,000	Sep-17	11.60%		30,00,00,000	29,99,99,985	-

SECURED TERM LOANS AND OTHER LOANS								Outstanding as at	
S No.	Repay-ment terms	No of in-stall-ments	Amount per installment (₹)	Repay-ment com-mence-ment month	Interest rate p.a	Nature of the security	Loan taken during the year	31 March 2017 ₹	31 March 2016 ₹
32	Quarterly	7	35,000,000-40,000,000	Jun-16	11.95%	Exclusive charge over book debts equivalent to 110% of loan amount and Cash margin of 10%.	-	14,50,00,000	25,00,00,000
33	Quarterly	10	5,00,00,000	Oct-17	11.40%	Exclusive charge over book debts equivalent to 110% of loan amount and cash margin Nil	-	14,50,00,000	25,00,00,000
34	Monthly	34	87,69,559	Feb-17	12.50%		50,00,00,000	50,00,00,000	-
35	Monthly	30	50,00,000	Nov-16	12.60%		25,00,00,000	23,76,04,990	-
36	Monthly	36	69,44,444	Nov-16	11.75%		15,00,00,000	12,50,00,000	-
37	Monthly	36	69,44,444	Feb-17	11.75%		25,00,00,000	22,02,94,719	-
38	Quarterly	8	6,25,00,000	Feb-17	13.25%		25,00,00,000	23,82,91,273	-
39	Monthly	24	1,04,16,667	Jul-16	12.00%	Exclusive charge over book debts equivalent to 100% of loan amount and Cash margin of 5%.	25,00,00,000	15,62,50,000	-
40	Quarterly	7	3,57,14,286	Sep-17	13.00%		25,00,00,000	25,00,00,000	-

41	Monthly	36	1,15,71,000	Sep-15	13.70%	Exclusive charge over book debts equivalent to 100% of loan amount.	-	2,09,56,859	28,43,55,508
42	Monthly	22	68,18,182	Nov-16	11.50%		15,00,00,000	13,63,63,640	-
43	Monthly	22	22,72,727	Apr-17	12.50%		5,00,00,000	5,00,00,000	-
44	Monthly	22	1,13,63,636	Jun-17	12.50%		25,00,00,000	25,00,00,000	
45	Monthly	22	90,90,909	Jun-17	12.50%		20,00,00,000	20,00,00,000	
46	Monthly	12	1,25,04,000	Jun-16	13.00%	Hypothecation of motor car	14,00,00,000	2,46,71,493	-
47	Monthly	60	12,880	Jul-16	9.63%		6,11,450	5,37,364	-
							7,36,46,20,037	9,01,33,15,045	4,12,83,68,566

Note: For interest rates on floating basis, rates disclosed above represents the rate of interest as at 31 March 2017

	As at 31 March 2017 ₹	As at 31 March 2016 ₹
31. Additional disclosures required by RBI		
a. Capital to Risk-Assets ratio (CRAR)		
CRAR (%)	18.32%	15.16%
CRAR - Tier I Capital (%)	16.59%	14.79%
CRAR - Tier II Capital (%)	1.73%	0.37%
Amount of subordinated debt raised as Tier-II capital (In ₹)	25,00,00,000	-
Amount raised by issue of Perpetual Debt Instruments	-	-

b) Investments

The Company does not have any investments as on 31 March 2017 (31 March 2016: Nil).

c) Derivatives

The Company has no transactions/exposure in derivatives in the current and previous year.

The Company has no unhedged foreign currency exposure as on 31 March 2017 (31 March 2016: Nil).

d) Disclosures relating to securitisation	Year ended 31 March 2017 ₹	Year ended 31 March 2016 ₹
Securitisation activity as an originator		
Total number of loans assets securitised (Nos)	3,03,556	70,746
Book value of loans assets securitised	6,10,71,07,883	1,28,64,46,375
Book value of loans assets securitised including loan placed as collateral	6,35,10,28,132	1,34,93,10,841
Sale consideration received during the year	6,10,71,07,883	1,28,64,46,375
Interest spread recognised in the statement of profit and loss during the year	46,23,60,136	2,74,98,054
Credit enhancements provided during the year and outstanding as at the year end		
- Principal subordination	24,39,20,249	6,28,64,466
- Cash collateral	29,82,93,256	5,38,83,412
SPVs relating to outstanding securitisation transactions		

Number of SPVs sponsored by the NBFC for securitisation transactions as on the date of the balance sheet	14	3
Total amount of securitised assets as per books of the SPVs sponsored as on the date of the balance sheet	3,64,22,11,481	1,23,49,00,534
Total amount of exposures retained by the NBFC to comply with minimum retention requirement ('MRR')		
Off-balance sheet exposures	-	-
First loss	-	-
Others		
On-balance sheet exposures		
First loss (cash collateral)	35,21,76,668	5,38,83,412
Others (credit enhancement)	27,81,45,858	6,28,64,466
Amount of exposures to securitisation transactions other than MRR		
Off-balance sheet exposures		
Exposure to own securitizations	-	-
First loss	-	-
Others		
Exposure to third party securitisations	-	-
First loss	-	-
Others		
On-balance sheet exposures		
Exposure to own securitizations	-	-
First loss (cash collateral)	-	-
Others		
Exposure to third party securitisations	-	-
First loss	-	-
Others		

31. Additional disclosures required by RBI

e) Details of financial assets sold to securitisation/reconstruction companies for asset reconstruction

The Company has not sold any financial assets to Securitisation/Reconstruction companies for asset reconstruction in the current and previous year.

f) Details of Assignment transactions undertaken

	Year ended 31 March 2017 ₹	Year ended 31 March 2016 ₹
Number of accounts (Nos)	246,268	72,977
Aggregate value (net of provisions) of accounts sold	4,862,078,899	1,138,991,182
Aggregate consideration	4,862,078,899	1,138,991,182
Additional consideration realized in respect of accounts transferred in earlier years	-	-
Aggregate gain / (loss) over net book value	-	-

g) Details of non-performing financial assets purchased/sold

The Company has not purchased/sold non-performing financial assets in the current and previous year.

h) Asset liability management

As at 31 March 2017					In (₹)
Maturity with in					
	1 to 30 days	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year
Deposits	2,82,92,69,896	50,00,000	53,42,631	5,97,57,833	23,47,79,709
Advances	74,51,91,343	54,07,70,486	56,16,76,564	1,69,22,13,308	3,03,76,40,729
Borrowings	30,75,46,506	25,65,15,262	24,64,29,774	90,72,73,207	2,10,94,00,022

1 to 3 years	3 to 5 years	5 years and above	Total
44,25,21,581	10,81,86,161	-	3,68,48,57,811
3,34,13,74,212	-	-	9,91,88,66,642
5,83,61,50,274	1,40,00,00,000	25,00,00,000	11,31,33,15,045

As at 31 March 2016					In (₹)
Maturity with in					
	1 to 30 days	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year
Deposits	27,09,56,902	50,00,000	1,82,50,000	1,90,00,000	6,95,00,000
Advances	18,26,75,638	23,40,38,124	23,80,82,129	72,59,64,345	1,30,51,82,396
Borrowings	13,09,32,061	19,09,00,106	17,47,13,168	48,55,78,469	90,28,05,877

1 to 3 years	3 to 5 years	5 years and above	Total
14,83,83,412	75,00,000	-	53,85,90,314
1,63,04,24,572	-	-	4,31,63,67,204
2,19,88,40,765	4,45,98,120	-	4,12,83,68,566

i) Exposures

The Company has no exposure to the real estate sector and capital market directly or indirectly in the current and previous year.

j) Details of financing of parent company products

The Company does not finance the products of the parent/holding company.

k) Unsecured advances

Refer note 12 for details of unsecured advances.

l) Registrations obtained from other financial sector regulators

The Company is registered with the Ministry of Corporate Affairs.

m) Disclosure of penalties imposed by RBI and other regulators

No penalties were imposed by Reserve Bank of India and other regulators during the current and previous year.

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

Deposits instrument	Rating agency	Date of rating	Valid upto	Rating assigned	Borrowing limit ₹
Bank loan rating	CRISIL	25-Oct-16	Refer note below	A-/Stable	1,00,00,00,000
MFI grading	CRISIL	23-Sep-16	September-17	mFR2	Not applicable
NCD	CRISIL	25-Oct-16	Refer note below	A- (SO)	70,00,00,000
NCD	CRISIL	22-Nov-16	Refer note below	A- (SO)	70,00,00,000
NCD	CRISIL	29-Nov-16	Refer note below	A- (SO)	25,00,00,000
NCD	CRISIL	29-Dec-16	Refer note below	A- (SO)	40,00,00,000
Securitisation	CRISIL	10-May-16	March-18	A- (SO)	27,12,90,716
Securitisation	CRISIL	10-May-16	March-18	BBB+ (SO)	1,20,57,365
Securitisation	CRISIL	03-Jun-16	March-18	A- (SO)	30,98,93,605
Securitisation	CRISIL	03-Jun-16	March-18	A- (SO)	49,54,36,633
Securitisation	CRISIL	07-Jul-16	April-18	A+ (SO)	52,34,34,796
Securitisation	CRISIL	07-Jul-16	April-18	BBB (SO)	4,07,11,595
Securitisation	CRISIL	08-Aug-16	June-18	A- (SO)	49,41,91,512
Securitisation	CRISIL	08-Aug-16	June-18	BB- (SO)	2,10,29,426
Securitisation	CRISIL	24-Aug-16	June-18	A- (SO)	66,29,27,452
Securitisation	CRISIL	15-Sep-16	June-18	A- (SO)	59,97,53,317
Securitisation	CRISIL	15-Sep-16	June-18	BB (SO)	2,57,95,842
Securitisation	CRISIL	26-Oct-16	August-18	A- (SO)	71,34,91,041
Securitisation	ICRA	30-Sep-16	June-18	A (SO)	53,20,15,810
Securitisation	ICRA	30-Sep-16	June-18	BBB (SO)	4,18,43,940
Securitisation	ICRA	23-Jan-17	November-18	A (SO)	89,35,23,723
Securitisation	ICRA	23-Jan-17	November-18	BBB (SO)	7,02,77,146
Securitisation	ICRA	31-Jan-17	November-18	A- (SO)	37,84,16,361
Securitisation	ICRA	31-Jan-17	November-18	BBB (SO)	2,10,23,131

Note: the rating is subject to annual surveillance till final repayment/redemption of related facilities.

	Year ended 31 March 2017 ₹	Year ended 31 March 2016 ₹
o) Provisions and Contingencies (shown under the head expenditure in Statement of profit and loss)		
Provision towards NPA	2,63,570	23,969
Provision made towards income tax	21,87,18,158	6,87,95,261
Provision for gratuity	79,22,852	42,73,626
Provision for compensated absences	15,05,643	18,88,166
Provision for loan losses, net	5,71,28,674	4,31,31,230

p) Draw down from reserves

There has been no draw down from the reserves during the current and the previous year.

	As at 31 March 2017 ₹	As at 31 March 2016 ₹
q) Concentration of Advances, Exposures and NPAs		
(i) Concentration of Advances		
Total Advances to twenty largest borrowers	9,00,000	9,00,000
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	0.01%	0.02%
(ii) Concentration of Exposures		
Total Exposure to twenty largest borrowers / customers	9,00,000	9,00,000
Percentage of Exposures to twenty largest borrowers/customers to total exposure	0.01%	0.02%
(iii) Concentration of NPAs		
Total Exposure to top four NPA accounts	1,77,616	1,31,833

	As at 31 March 2017 %	As at 31 March 2016 %
r) Percentage of NPAs to total advances in that sector		
Agriculture and allied activities	0.19%	0.06%
MSME	0.38%	0.06%
Corporate borrowers	-	-
Services	0.30%	0.12%
Unsecured personal loans	-	-
Auto loans	-	-
Other personal loans	-	-

	Year ended 31 March 2017 ₹	Year ended 31 March 2016 ₹
s) Movement of NPAs		
Net NPAs to Net Advances (%)	0.26%	0.06%
Movement of NPAs (Gross)		
Opening balance	23,96,911	-

Additions during the year	2,75,15,102	23,96,911
Reductions during the year	(11,58,125)	-
Closing balance	2,87,53,888	23,96,911
Movement of Net NPAs		
Opening balance	23,72,942	-
Additions during the year	2,72,39,951	23,72,942
Reductions during the year	(11,46,544)	-
Closing balance	2,84,66,349	23,72,942
Movement of provisions for NPAs (excluding provisions on standard assets)		
Opening balance	23,969	-
Provisions made during the year	2,63,570	23,969
Write-off / write-back of excess provisions	-	-
Closing balance	2,87,539	23,969

	Number	Number
t) Disclosure of customer complaints		
Number of complaints pending at the beginning of the year	-	-
Number of complaints received during the year	312	135
Number of complaints redressed during the year	312	135
Number of complaints pending at the end of the year	-	-

- u) Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC**
 The Company did not exceed the limits prescribed for Single and Group Borrower during the current and previous year.
- v) Overseas assets**
 The Company did not have any Joint Ventures and Subsidiaries abroad.
- w) Off-balance sheet SPVs sponsored**
 There are no off-balance sheet SPVs sponsored which are required to be consolidated as per accounting norms as at end of current and previous year.
- x) Disclosure of frauds reported**
 Year ended 31 March 2017

Year ended 31 March 2017

Particulars	Less than 1 lakh		1 lakh to 5 lakh		5 lakh to 25 Lakh	
	No. of accounts	Value ₹	No. of accounts	Value ₹	No. of accounts	Value ₹
A) Persons involved Staff	-	-	-	-	3,398	53,16,699
Total	-	-	-	-	3,398	53,16,699
B) Type of fraud						
Misappropriation and criminal breach of trust	-	-	-	-	3,398	53,16,699
Total	-	-	-	-	3,398	53,16,699

Year ended 31 March 2016

Particulars	Less than 1 lakh		1 lakh to 5 lakh		5 lakh to 25 Lakh	
	No. of accounts	Value ₹	No. of accounts	Value ₹	No. of accounts	Value ₹
A) Persons involved Staff	16	3,20,000	-	-	-	-
Total	16	3,20,000	-	-	-	-
B) Type of fraud						
Misappropriation and criminal breach of trust	16	3,20,000	-	-	-	-
Total	16	3,20,000	-	-	-	-

Note:

The above summary is prepared based on the information available with the Company and relied upon by the auditors.

The Company has initiated necessary action against the employees connected to the above reported instances.

This is the summary of significant policies and other explanatory information referred to in our report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountants

Sd/-
per **Sumesh E S**
Partner

Place: Thiruvananthapuram
Date: 08 May 2017

For and on behalf of the Board of Directors of
Muthoot Microfin Limited

Sd/-
Thomas John Muthoot
Director
DIN: 00011618

Sd/-
Neethu Ajay
Company Secretary

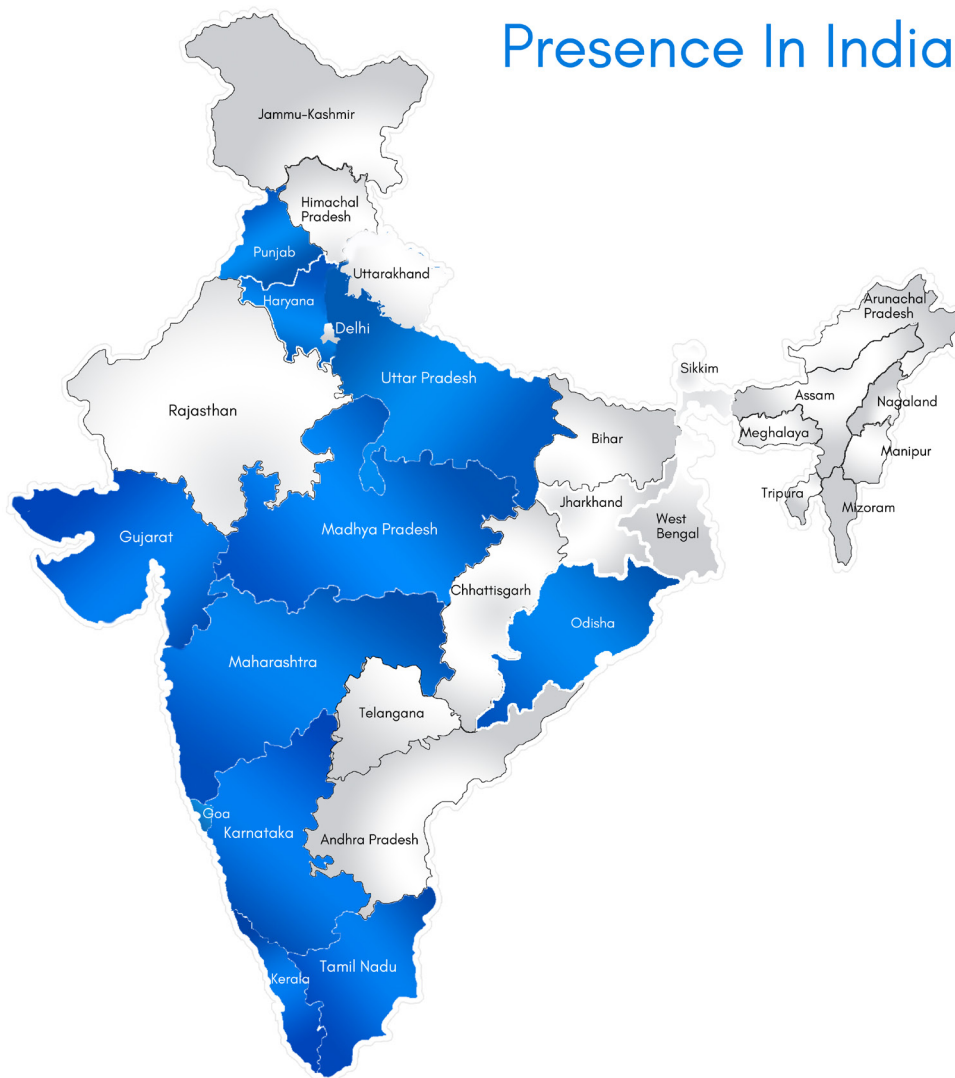
Place: Thiruvananthapuram
Date: 08 May 2017

Sd/-
Thomas George Muthoot
Director
DIN: 00011552

Sd/-
Praveen T
Chief Financial Officer

OPERATIONS & CLIENT DATA

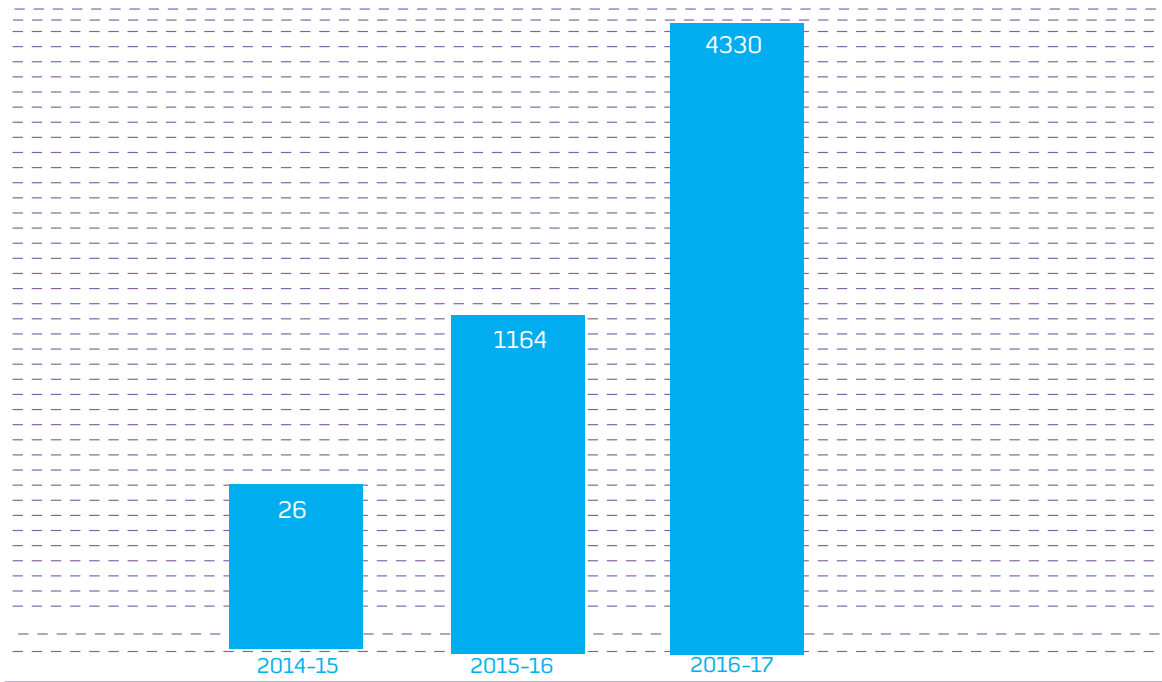
Presence In India



States	Goa	Gujarat	Kerala	Tamil Nadu	Karnataka
Branches	1	24	96	128	79
AUM	₹ 0.67 Cr	₹ 95.56 Cr	₹ 947.98 Cr	₹ 863.02 Cr	₹ 285.11 Cr

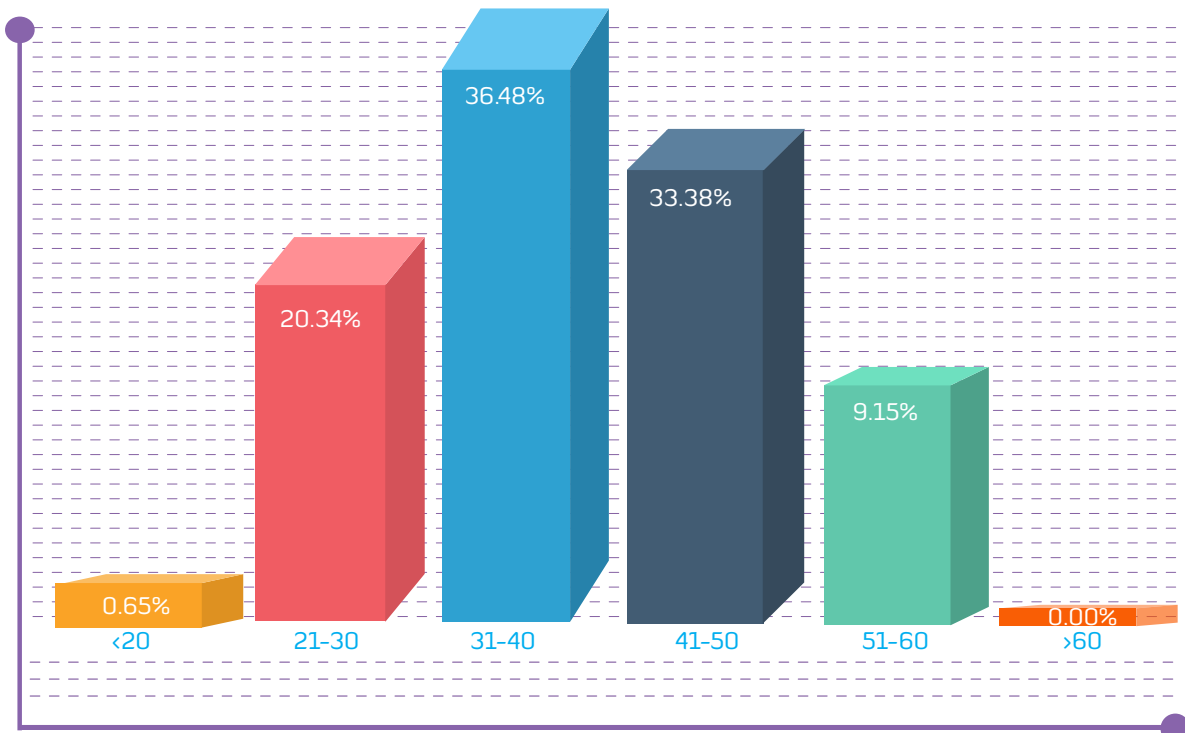
Maharashtra	Madhya Pradesh	Odisha	Uttar Pradesh	Haryana	Punjab
23	8	16	15	6	3
₹ 54.31 Cr	₹ 11.82 Cr	₹ 25.37 Cr	₹ 16.57 Cr	₹ 3.78 Cr	₹ 0.13 Cr

Employees (count)

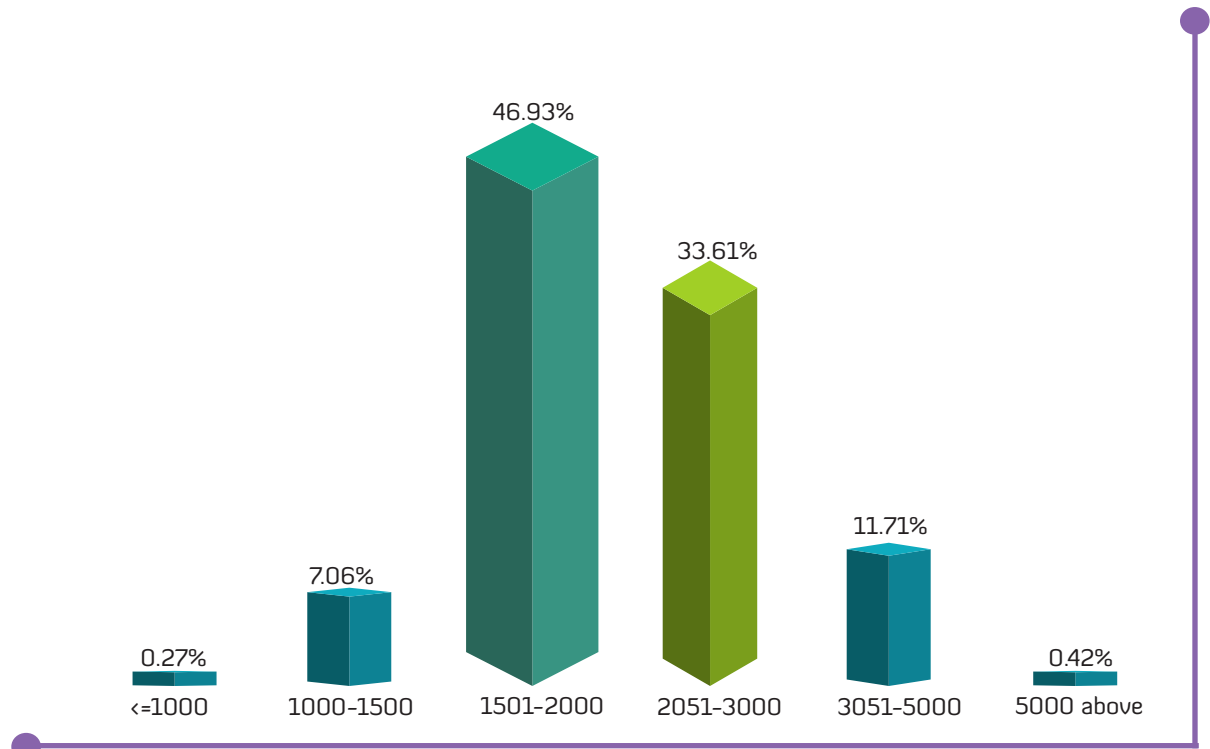


Client Data

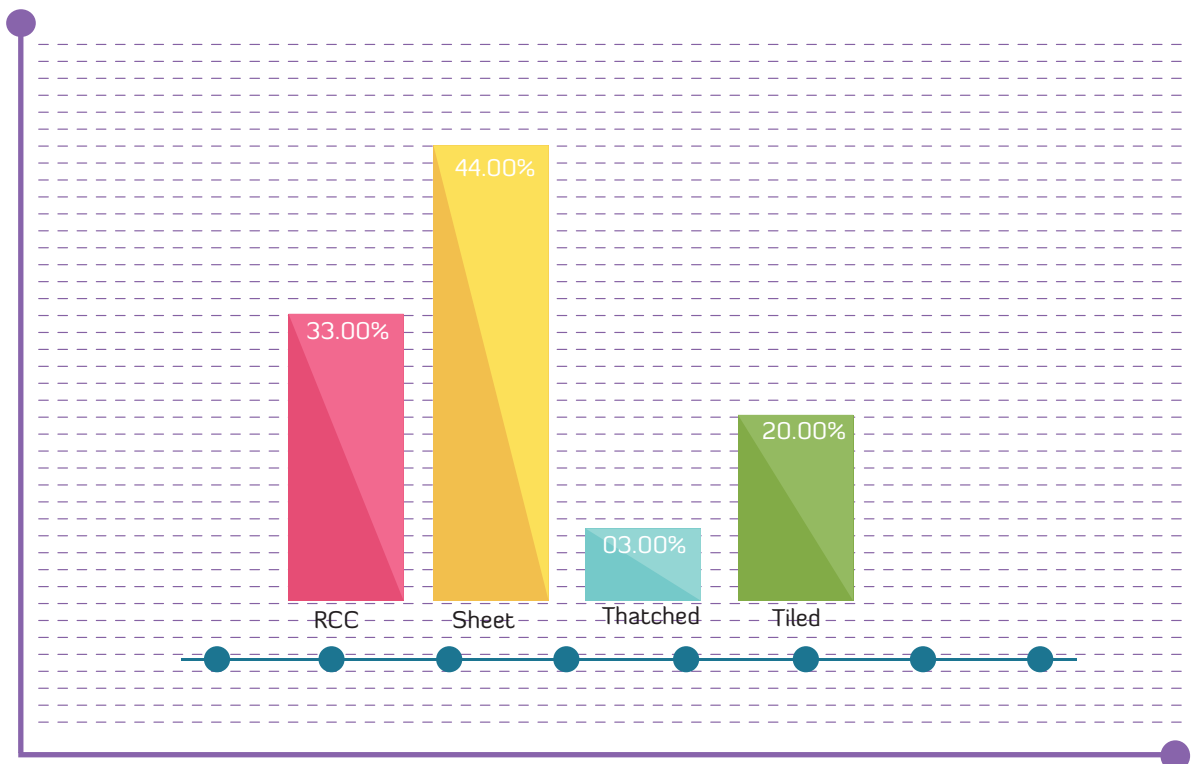
Client Age-wise split



Client Per-Capita Income/Month (In ₹)



Client house Roof Type





Right steps at the right time

Loan ID-TRCK@2900

Rajeswari.S is a housewife turned small time entrepreneur residing at Alanguppam in Pondicherry. Few years back, Rajeswari was eking out a small living for herself and her family by selling bakery items in the nearby market. Inconsistent income from her husband's farming forced Rajeswari to work hard by extending her working hours. Later, she opened a small shop with the help of her friends. However, with very little stock and inability to expand, they found it difficult to carry on with the shop.

Luckily for her, she was introduced to Muthoot Microfin by a relative and was impressed to know about its operations which suited people like her very well. She soon availed first cycle loan of ₹ 15,000 from Muthoot. She utilized the entire amount to purchase commodities in bulk to her shop. After a couple of months, she could see the difference in sales as daily earnings grew from a paltry ₹ 100 to ₹ 800. Rajeswari is the breadwinner for her family now. She says "Muthoot Microfin not only helped me by offering finance to grow the business but also the financial literacy training from the organization taught the importance of using the loan correctly to make my business a success."

Community Outreach Initiatives

Muthoot Microfin's Community Outreach Initiatives are aimed to encourage the economic and social sustainability in society by empowering women through skill trainings and financial literacy. Furthermore, the initiatives strive to strike a balance between economic, environmental and social imperatives.

Muthoot initiated eco-friendly programmes for the care and welfare of environment. Towards this, introduced 'One Branch One Tree' program, where thousands of saplings were planted across 360 branches and employees took oath to protect it until it becomes a tree. Adding to this, another 895 saplings were distributed to public and clients.

During the drought in Maharashtra, the company distributed drinking water to more than 500 families in Latur. Later in the year, conducted relief camps in Beed for people affected by the flood and 75 worst hit families were provided food and support.

While Muthoot undertakes, programmes based on the identified needs of the community; skill training, financial literacy and healthcare remains our priority. The institution, through various skill training workshops from tailoring to candle making - trained 1922 women with vocational skills to help find earning opportunities or to start their own micro enterprise.

In the period, Muthoot conducted several health care camps across the states in association with various organizations. The aim of these camps was to provide basic medical attention and medicines free of cost to people who do not have easy access to basic medical facilities. A total of 1522 people benefitted from health camps. In all these camps, medical teams hosted awareness sessions on women's health, nutrition, preventive measures to be observed during local disease outbreaks.

Program	Place	Beneficiaries	Date
Healthcare & Welfare			
Health Awareness/Study Material Distribution	Madathara (Kerala)	150	18-Jun-16
Eye Care Camp	Alwarthirunagari (Tamil Nadu)	200	18-Jun-16
Medical Camp	Thuckalay (Tamil Nadu)	250	25-Jun-16
Eye Care Camp	Aurangabad (Maharashtra)	150	15-Jul-16
Eye Care Camp	Pollachi (Tamil Nadu)	200	23-Jul-16
Medical Camp	Bagalkot (Karnataka)	100	13-Aug-16
Eye Care Camp	Vikravandi1 (Tamil Nadu)	250	20-Aug-16
Blood Donation Camp	Nagpur (Maharashtra)	62	01-Oct-16
Blood Donation Camp	Singanallur (Tamil Nadu)	50	22-Oct-16
Eye Care Camp	Indore (Madhya Pradesh)	110	26-Dec-16
Training and Development			
Skill Training	Payyannur (Kerala)	25	05-Jun-16
Craft Skills Training	Agastheeswaram (Tamil Nadu)	250	17-Jun-16
Dairy Awareness Camp	Yavatmal (Maharashtra)	75	27-Jun-16
Skill Training	Omassery (Kerala)	40	23-Jul-16
Dairy Awareness Camp	Kheda (Gujarat)	75	23-Jul-16
Financial Literacy	Bhubaneswar (Odisha)	90	11-Aug-16
Multi Skill Training	Kundapura (Tamil Nadu)	150	20-Aug-16

Skill Training	Vadakara (Kerala)	40	20-Aug-16
Skill Training	Bhandara (Maharashtra)	80	10-Dec-16
Financial Literacy	Nashik (Maharashtra)	180	17-Dec-16
Financial Literacy	Cuttack (Odisha)	120	17-Dec-16
Skill Training	Nileshwaram (Kerala)	40	17-Dec-16
Financial Literacy	Moodabidri (Karnataka)	205	18-Dec-16
Financial Literacy	Yavatmal (Maharashtra)	100	19-Dec-16
Dairy Awareness Camp	Borsad (Gujarat)	80	24-Dec-16
Dairy Awareness Camp	Halol (Gujarat)	62	24-Dec-16
Financial Literacy	Khamla (Maharashtra)	100	23-Dec-16
Skill Training	Padra (Gujarat)	50	24-Dec-16
Financial Literacy	Ichalkaranji (Maharashtra)	160	24-Dec-16
Environment Care			
One Branch One Tree	All branches		05-Jun-16
Tree Planting, Awareness & distribution	Payyannur (Kerala)	110	05-Jun-16
Tree Planting, Awareness & distribution	Moodabidri (Karnataka)	100	05-Jun-16
Tree Planting, Awareness & distribution	Ramanattukara (Kerala)	150	05-Jun-16
Tree Planting, Awareness & distribution	Pattambi (Kerala)	100	05-Jun-16
Tree Planting, Awareness & distribution	Pathanapuram (Kerala)	60	05-Jun-16
Tree Planting, Awareness & distribution	Quilandy (Kerala)	150	05-Jun-16
Tree Planting, Awareness & distribution	Mukkoottuthura (Kerala)	75	05-Jun-16
Tree Planting, Awareness & distribution	Bangalore (Karnataka)	150	05-Jun-16
Market Linkage			
Onam Fair	Pathanamthitta & Kochi	1000	September
Special Mentions			
Drinking Water Distribution	Latur (Maharashtra)	500 Families	21-May-16
Flood Relief in Beed	Beed (Maharashtra)	75 Households	20-Jul-16

Special Mentions

One Branch One Tree Initiative

In order to reiterate the institution's commitment to preserve and protect our environment, Muthoot Microfin launched a campaign named 'One Branch One Tree' on June 5, 2016 (World Environment Day). In the campaign saplings were planted at an appropriate public space near the branch vicinity. All the branch members then took oaths to protect and nurture the sapling until it grows to be a big tree.



Delivered food kits to Beed flood victims

In response to the flash flood disaster in Kolhapur district of Maharashtra that left many people without necessities, Muthoot Microfin distributed free food kits to flood-affected households.

In Beed, one of the worst affected villages in the flood, Muthoot Microfin distributed food kits that include rice, dal and cooking oil apart from other relief supplies and hygiene kits to about 75 households on July 20, 2016. Muthoot Microfin employees interacted with the villagers and analysed the situation.



Distributed 50,000 litres of drinking water to drought hit Latur.

Muthoot Microfin intervened to help the drought hit communities in Latur district of Maharashtra by distributing 50,000 litres of drinking water for the people.

Tens of thousands of people in Latur district of Maharashtra was struggling facing the consequences of an extended drought and acute water scarcity. Muthoot Microfin collected 50,000 litres of drinking water from other districts of Maharashtra and brought it to Latur in 20 tanker lorries containing 2,500 litres of drinking water each. The company distributed water among 500 families in severely drought hit areas with 100 litres of water for each family.



SAVE WATER, SAVE FUTURE.

Muthoot Microfin distributed 50,000 litres of drinking water in drought hit district of Latur, Maharashtra. Muthoot collected 50,000 litres of drinking water from other districts of Maharashtra and brought it to Latur in 20 tanker lorries containing 2,500 litres of drinking water each.

The company distributed water among 500 families in severely drought hit areas with 100 litres of water for each family. The people in the area were also requested to gather for a brief awareness session on proper usage of the water and rain water harvesting techniques for future.

Great work by Maharashtra team, especially employees in the region who toiled hard to accomplish it.





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OF TRUST

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