

30th

Annual Report 2015 - 2016



Manipal Housing Finance Syndicate Ltd.

Regd. Office: Manipal House, Manipal – 576 104, Karnataka

Network of Branches

Manipal: Manipal House, Manipal – 576 104
Bangalore: Unit No. N – 116, Manipal Centre
North Block, Dickenson Road, Bangalore – 560 042

Mangalore: Ideal Towers, D.No.13-1-25/39
1st Floor, Opp. Sharavu Mahaganapathi Temple
Sharavu Temple Road, Mangalore – 575 001

Udupi: Maruthi Veethika, II Floor,
New Vyavahar Complex, Udupi – 576 101

Hyderabad: Flat No. 101, Gayathri Plaza
Mettuguda, Secunderabad – 500 017

Chennai: Gemini Parson – Commercial Complex,
Ground Floor, D-6, No. 1,
Kodambakkam High Road, Chennai – 600 034

Mumbai: 3, Priyotama Sahanivas,
Prarthana Samaj Road, Vile Parle (E),
Mumbai – 400 057

Car Street: Shop No. 201, First Floor,
Ideal Towers, Opp. Sharavu Mahaganapathi Temple
Mangalore, D.K. District – 575 001

B C Road: First Floor, SR Complex, NH 75,
BC Road, Jodumarga, D.K. District – 574 219

Surathkal: Shop No. F-09, First Floor, Poova Arcade
Near N H 17, Surathkal, D.K. District – 575 014

Kankanady: Shop No. F-8, First Floor
Emkays Shalimar, Bye-pass Road
Kankanady, D.K. District – 575 002

Maruthi Veethika: First Floor, "Vyavahar 1001"
Maruthi Veethika Road, Near Chittaranjan Circle
Udupi District – 576 101

Kundapura: Shop No. 3, First Floor, Yediyal
Complex Near Old Bus Stand, Kundapura
Udupi District – 576 201

Yeshwanthpur: Shop No. 3, First Floor, Jai Complex
Triveni Road, Yeshwanthpur, Bangalore – 560 022

Chamarajpet: First Floor, Gowamma Govindraju
Complex, 134/1, 4th Main Road, 9th Cross
Chamarajpet, Bangalore – 560 018

K R Market: First Floor, No. 39
New Bamboo Bazar Road
Near K R Market, Kalasipalyam, Bangalore – 560 002

Vittal: 2nd Floor, Keshava Madhava Complex
Puttur Road, Near Bus Stand, Vittal
D.K. District – 574 243

Hebri: Shop No. 5, First Floor, Ramanath Complex
Main Road, Opp. Bus Stand, Hebri – 576 112

Srinivasnagar: Shop No. 3, First Floor
341/A, 80 Ft Road, Opp. Bank Colony Bus Stand
Srinivasnagar, Banashankari Ist Stage
Bangalore – 560 050

Moodabidri: Shop No. F-5, First Floor
Panchami Apartments, Market Road, Behind Market
Moodabidri, D.K. District – 574 227

Kamakshipalya: Shop No. 3, First Floor
Jayalakshmi Complex, Magadi Main Road
Near Ganesh Temple, Kamakshipalya
Bangalore – 560 079

Sullia: Shop No. 5, First Floor, Honesty Building
Main Road, Balemakki, Sullia – 574 239

Kadaba: Shop No. 4, 1st Floor, Sri Ram Towers Main Road,
Near Sri Durgambika Amma Temple, Kadaba
D. K. District – 574 221

Bhatkala: Shop No. 32, 1st Floor, Mahale Building Sagar
Road, Near Samshuddin Circle, Bhatkal
U.K. District – 581 320

Bajpe: Shop No. 2, Ground Floor, Koya Complex Main Road,
Near Bus Stand, Bajpe,
D.K. District – 574 142

Periya Patna: Shop No. 8, First Floor
L. M. Complex, B. M. Road, Near KSRTC Bus Stand
Periya Patna, Mysore District – 571 107

Janata Nagar: First Floor, 1133,
Sahukar Chennaiah Road, Near Bisilu Maramma Circle,
Janatha Nagar, Mysore – 570 009

Kushal Nagara: Shop No. 1, First Floor
Taanya Lakshmi Building, Rathabeedi
Near Govt. Hospital, Kushal Nagara
Kodagu District – 571 234

Hebbala: Shop No. 3, 1st Floor, Srinivas Complex
Vijaya Nagar Main Road, Near Abhishek Circle
Hebbal, Mysore Dist. – 570 017

K. R. Nagara: Ground Floor, Laxmi Narayana Nilaya,
No. 17, Mysore Road, Near Police Station, K. R. Nagara
Mysore – 571 602

Kengeri: Shop No. 2, First Floor, 118/2,
Mysore Road, Fort Kengeri, Kengeri
Bangalore Dist. – 560 060

Saligrama: No. 36, 1st Floor, Mahaveer Road
Near Gandhi Square, Saligrama
Mysore Dist. – 571 604

Mudipu: First Floor, P. K. Towers
Vittal – Mangalore Road, Opp. Mudipu Bus Stand Mudipu,
D.K. Dist. – 574 153

Virajpet: Shop No. 2, 1st Floor, Sathyanarayana Complex,
Main Road, Opp. Indian Bank, Virajpet
Kodagu District, Karnataka – 571 218

Shimoga: 2nd Floor, Sri Rama Complex
Main Road, Opp. Market, Gandhi Bazar
Shimoga Dist. – 577 202

Honnali: Shop No. 2 & 3, 1st Floor
Janani Complex, Sarvakeri Road, Near Bus Stand
Honnali, Davanagere Dist. – 577 217

Hunsur: No. 1825, Katha No. 1326/1825/1
On the First Floor of the Building Situated at BM Road
Near Hunsur Bus Stand, Mysore



BOARD OF DIRECTORS

Chairman

Sri N. A. Shanbhag

Directors

Mrs. Vijayalaxmi N. Pai

Sri B. Ganapathi Pai

Sri Vinayak N. Shanbhag – Nominee – Syndicate Bank (up to 14-9-15)

Sri K. T. Rai – Nominee – Syndicate Bank

Sri Subramani R. – Nominee – Syndicate Bank

Executive Director

Sri T. Sunil Pai

General Manager

Dr. K. K. Ammannaya

Deputy General Manager

Sri N. Ashok

C.F.O.

Sri Gopalakrishna Bhat

Auditors

M/s Pai Nayak & Associates

Chartered Accountants

Raaj Towers

Near City Bus Stand

Udupi – 576 101

Bankers

1) Syndicate Bank, 2) Canara Bank, 3) HDFC Bank, 4) State Bank of Travancore, 5) ICICI Bank Ltd., 6) Karnataka Bank Ltd., 7) Bank of Maharashtra, 8) Indian Overseas Bank, 9) Bank of Baroda, 10) Union Bank of India, 11) Security Trustees for the Public Deposits – Canara Bank.

Registered Office

MANIPAL HOUSE, MANIPAL – 576 104 (UDUPI), KARNATAKA

Phone : (0820) 2570741

Website : www.manipalhousing.com

CIN No. : U65922KA1986PLC007396

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NOTICE TO THE MEMBERS

NOTICE is hereby given that the 30th Annual General Meeting of the Members of Manipal Housing Finance Syndicate Limited will be held on Tuesday, the 30th day of August, 2016 at 4.00 p.m. at Regd. Office: "Manipal House", Manipal – 576 104 to transact the following business:

ORDINARY BUSINESS

- To receive, consider and adopt the Audited Balance Sheet as at 31st March 2016, statement of Profit and Loss for the year ended on that date and the Reports of the Directors and Auditors thereon.
- To confirm the payment of interim dividend on Cumulative Redeemable Preference Shares and to declare dividend on the Equity Shares for the Financial Year ended March 31, 2016.
- To appoint a Director in place of Smt. Vijayalaxmi N. Pai, who retires by rotation, and being eligible offers herself for reappointment.
- To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to the provisions of Section 139, 142 and all other applicable provisions of the Companies Act, 2013 (the "Act") read with Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), pursuant to the recommendations of the audit committee of the Board of Directors, and pursuant to the resolution passed by the members at the AGM held on 13.08.2015 the appointment of M/s. Pai Nayak & Associates, Chartered Accountants (Firm Registration No.009090S), as the Statutory Auditors of the Company to hold office till the conclusion of the AGM to be held in the Calendar year 2017 be and is hereby ratified and that the Board of Directors be and is hereby authorized to fix the remuneration payable to them for the financial year ending March 31, 2017 as may be determined by the audit committee and agreed upon between the auditors and the Board of Directors."

SPECIAL BUSINESS

- Adoption of new set of Articles of Association of the Company inter-alia pursuant to the Companies Act, 2013.
To consider and if thought fit, to pass with or without modification(s), the following resolution as a *Special Resolution*:
"RESOLVED THAT pursuant to the provisions of Section 5 and 14 of the Companies Act, 2013 ("the Act"), Schedule I made thereunder, read with the Companies (Incorporation) Rules, 2014 and all other applicable provisions, if any, of the Act (including any statutory modification(s) or re-enactment thereof for the time being in force, the new set of Articles of Association pursuant to the Act primarily based on the Form of Table F under the Act, be and is hereby approved and adopted as new set of Articles of Association in the place of existing Articles of Association of the Company.
RESOLVED FURTHER THAT for the purpose of giving full effect to this resolution, the Board be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, proper or desirable and to settle all questions, difficulties or doubts that may arise in this regard at any stage without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.
RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be required to give effect to the above resolution(s)."
- Alteration of Objects Clause of the Memorandum of Association of the Company
To consider and if thought fit, to give assent/dissent to the following resolution as a *Special Resolution*:
"RESOLVED THAT Pursuant to provisions of Section 13 of the Companies Act, 2013 ("the Act"), read with the Companies (Incorporation) Rules, 2014 and all other applicable provisions, if any, of the Act, (including any statutory modification(s) or re-enactment thereof for the time being in force), and such other rules and regulations, as may be applicable, the consent of the Company be and is hereby accorded for alteration of Memorandum of Association of the Company by
(a) Amending the provisions of the Clause III(B)2 of the Object Clause of the Company by substituting following Clause in its place:
"To establish and maintain any agencies and operating or administrative Units in India for the conduct of the business of the Company subject to the guidelines and directions of National Housing Bank."
(b) Deleting the Clause III(B)5 of the Object Clause of the Company and renumbering the existing Clause III(B)6 to 25 as III (B)5 to 24 respectively in its place.
(c) Amending the provisions of the present Clause III(B)10 (which becomes Clause III(B)9 in the new series) of the Object Clause of the Company by substituting following Clause in its place:
"To amalgamate with any company or companies having objects altogether or in part similar to those of this Company subject to prior written permission of the National Housing Bank for any merger/amalgamation of a housing finance company with another entity or any merger/amalgamation of an entity with a housing finance company."

RESOLVED FURTHER THAT for the purpose of giving full effect to this resolution, the Board be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, proper or desirable and to settle all questions, difficulties or doubts that may arise in this regard at any stage without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be required to give effect to the above resolution(s)."

Registered Office:
"Manipal House"
Manipal – 576 104
22nd June, 2016

By Order of the Board

Sd/- T. Sunil Pai
Executive Director
(DIN: 00101564)

Notes:

- The relevant Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013, in respect of Special Business at the meeting, is annexed hereto and forms part of this notice.
- The Register of Members and Share Transfer Books of the Company will remain closed from 27.08.2016 to 30.08.2016 (both the days inclusive).
- The dividend for the financial year ended March 31, 2016, as recommended by the Board, if approved by the members, will be paid on or after 04.09.2016 to those members whose name appear in the Company's Register of Members as on Book Closure dates.



4. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. Proxies in order to be effective must be received by the company not later than forty-eight (48) hours before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable.
A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
5. A person can act as a proxy on behalf of Members not exceeding fifty in number and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as proxy for any other person or shareholder.
6. Members are requested to bring their attendance slips duly completed and signed mentioning therein details of Folio No.
7. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.
8. Relevant documents referred to in the accompanying Notice and in the Explanatory Statements are open for inspection by the Members at the Company's Registered Office on all working days of the Company, during business hours up to the date of the Meeting.
9. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
10. The amount of dividend remaining unpaid for the year from 31.03.2009 to 31.03.2015 have been transferred to the company's unpaid dividend account, and can be claimed from the company by the members entitled to it for a period of seven years from the respective dates of such transfer after which it shall be transferred to the Investor Education and Protection Fund (IEPF) constituted Under Section 205 (C) of the Companies Act, 1956.
11. Members seeking any information with regard to the Accounts are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the meeting.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 27.08.2016 at 9.30 a.m. and ends on 29.08.2016 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date (record date) of 23.08.2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA0000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.



- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xx) Note for Non-Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be e-mailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an e-mail to helpdesk.evoting@cdslindia.com.
12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Therefore, members are required to submit their PAN to the Company.
13. Members holding shares in single name and in physical form are advised to make a nomination in Form SH-13 in respect of their shareholding in the Company.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013

Item No.5

The existing Articles of Association ('AOA') of the Company are based on the Companies Act, 1956. Further, several Articles in the existing AOA are no longer in conformity with the Companies Act, 2013 ('the Act').

With the coming into force of the Act, several clauses of the existing AOA require alteration, deletion or amendment. Hence, it is considered prudent to replace the extant AOA completely with the new set of draft Articles of Association of the Company.

In terms of the Section 5 and 14 of the Companies Act, 2013, the consent of the members by way of special resolution is required for adoption of new set of Articles of Association of the Company.

None of the Directors or key Managerial Personnel of neither the Company nor their relatives are in any way, concerned with or interested, financially or otherwise, in the Special Resolution at item No.5 of the accompanying Notice.

The Board recommends the Special Resolution set out at item No.5 of the Notice for approval by the members in terms of the provisions of inter-alia, Section 14 of the Companies Act, 2013, read with the Companies (Incorporation) Rules, 2014.

A copy each of the existing Articles of Associations and the proposed new set of Articles of Association will be open for inspection by the Members at the Registered Office of the Company during business hours on all working days.

Item No.6:

During the recently concluded NHB Inspection, the Inspecting Officials have pointed out some modification/deletion to be made to the exiting Object Clause(s) of the Company in the Memorandum/Articles of Association. Some of the existing object clauses are not in consonance with provision of Para 37, 32A and 19 of HFCs (NHB) Directions 2010. NHB has to be informed before opening/merger of branches of the Company and HFCs are not permitted to enter into partnership or into any arrangement for sharing profits, union of interest.

In terms of the Section 13 of the Companies Act, 2013, the consent of the members by way of special resolution is required for alteration of Memorandum of Association of the Company.

None of the Directors or key Managerial Personnel of neither the Company nor their relatives are in any way, concerned with or interested, financially or otherwise, in the Special Resolution at item No.6 of the accompanying Notice.

The Board recommends the Special Resolution set out at item No.6 of the Notice for approval by the members by voting via Postal Ballot/e-Voting in terms of the provisions of inter-alia, Section 13 of the Companies Act, 2013, read with the Companies (Incorporation) Rules, 2014.

A copy each of the existing Memorandum of Associations and the proposed amended set of Memorandum of Association will be open for inspection by the Members at the Registered Office of the Company during business hours on all working days.

Registered Office:
"Manipal House"
Manipal – 576 104
22nd June, 2016

By Order of the Board

Sd/- T. Sunil Pai
Executive Director
(DIN: 00101564)

DIRECTORS' REPORT

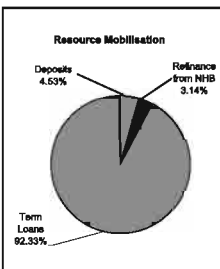
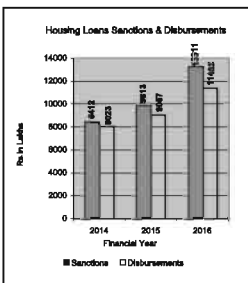
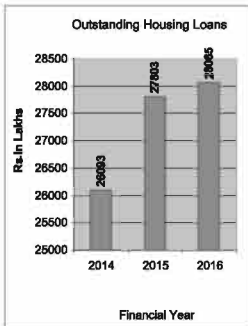
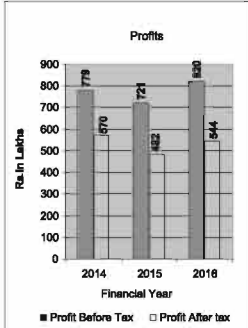
To,

The Members,

Your Directors have pleasure in presenting their 30th Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2016.

1. Results of our operations:

The following table brings out the financial performance of the Company during the F.Y. 2015-16:



Particulars	2015-2016 (Rs.)	2014-2015 (Rs.)
Gross Income	42,31,94,526	44,71,25,544
Profit Before Interest and Depreciation	38,54,44,228	39,87,29,665
Finance Charges	29,80,25,753	32,01,53,300
Provision for Depreciation	23,93,218	34,85,047
Profit before Exceptional Items and Tax	8,50,25,257	7,50,91,318
Less: Exceptional Items	30,19,278	30,28,197
Profit before Tax	8,20,05,979	7,20,63,121
Tax expenses:		
Current Income Tax	2,34,00,000	2,08,00,000
Income Tax earlier year's provision	48,709	10,95,487
Deferred Tax Adjustments	41,68,756	2,76,17,465
Net profit after Tax	5,43,88,514	4,81,64,869
Balance of Profit brought forward	14,89,77,744	12,71,40,781
Balance available for appropriation	20,33,66,258	17,53,05,650
Transfer to Special Reserve	1,40,00,000	1,30,50,000
Transfer to General Reserve	0	30,00,000
Transfer to Capital Redemption Reserve	0	40,00,000
Transitional adjustment to depreciation	0	2,01,440
Interim Dividend on Preference Shares	14,80,920	16,73,608
Dividend Distribution Tax on pref. Dividend	3,01,480	3,08,219
Proposed Dividend on Equity Shares	34,02,060	34,02,060
Tax on proposed Dividend	6,92,579	6,92,579
Surplus carried to Balance Sheet	18,34,89,219	14,89,77,744

2. Economic Scene:

The Financial Year 2015-16 saw significant volatility in global markets. Commodity prices world-over saw all time low levels. The year also saw unprecedented slow down in the Chinese economy. Global macro growth remained fragile although growth saw some momentum initially. U.S. Federal Reserve finally hiked federal funds' rate by 25 basis points in its December 2015 Monetary Policy. FED also maintained a dovish Stance from the point of view of its future policy action. India witnessed some recovery in its growth and GDP growth of 7.6% was registered in the year as against 7.2% in the previous year. The year began with RBI keeping policy rates steady in its first by monthly review that took place in April 2015. However, the RBI maintained an accommodative stance for the future policy actions. The policy rate was later in the year reduced by 75 basis points to 6.75% which was in addition to the cut of 50 basis points prior to March 2015. Subsequently in April 2016, repo rate was reduced by 0.25 per cent to 6.50 per cent. The RBI still maintains an accommodative stance and it is likely that the RBI may further cut the rates in the event of decline in inflation on account of good monsoon and improvement in farm sector growth. With further decline in the rates, it is hoped that the demand for housing loans will substantially increase with substantial pick up in home loan disbursements. This will help all housing finance companies including ours to increase lendings thereby increasing interest earnings.

The Government has in April 2016 launched Pradhan Mantri Awas Yojana – Rural which is an up-graded Rural Housing Scheme that seeks to build one crore pucca houses over the next 3 years at a cost of Rs.82,000 Crores. This initiative of the Government will provide a huge boost to the rural economy. This Scheme coupled with the existing Pradhan Mantri Awas Yojana for the Urban areas will greatly contribute to housing expansion in the economy. These Schemes will greatly help housing finance companies in finding new borrowers for housing loans both from rural and urban segments.

3. State of Company Affairs:

Despite many challenges, your company was able to deliver satisfactory performance in the Financial Year 2015-16. The total income during the year was Rs.42.32 Crores. The Company could achieve Profit After Tax of Rs.5.44 Crores as against the profit of Rs.4.82 Crores in the previous year. The net profit thus increased by Rs.0.62 Crores with percentage increase of 12.86%.

Total loan sanctions during the year ended 31st March, 2016 amounted to Rs.180.30 Crores as against sanctions of Rs.151.30 Crores during the preceding year. Disbursements of loans during the year amounted to Rs.161.14 Crores as against the disbursement of Rs.143.74 Crores during the previous year. Loans outstanding have exceeded Rs.340 Crores and outstanding loans stood at Rs.340.50 Crores as on 31st March 2016. Outstanding Jewel Loans declined from Rs.24.18 Crores as on 31.03.2015 to Rs.23.02 Crores as on 31.03.2016.

A. Regulatory and Statutory Compliances: The company gives utmost importance to compliances both statutory and regulatory. It has been the avowed policy of the company to scrupulously comply with the directions, guidelines and instructions of National Housing Bank. There is a compliance section headed by a senior officer, which attends to compliance on an on-going basis and ensures that the prescribed returns are submitted to NHB within the due dates fixed by NHB.

The company has also complied with the provisioning norms and fulfilled the provisioning requirements as per the NHB directions. The Capital Adequacy Ratio which was 21.93 % as on 31.03.2016 as against the regulatory capital requirement of 12%.

The Net Owned Funds of the Company as on 31.3.2016 stood at Rs.49.05 Crores as against Rs.45.03 Crores as on 31.3.2015. There was thus, an increase of Rs.4.02 Crores in the Net Owned Funds, the percentage increase being 8.92%.

B. Resource mobilisation: The funding strategy of the company during the year aimed at reducing the funding cost and average cost of funds. The company also continued diversification of funding with a view to achieving an appropriate maturity structure and minimising the weighted average cost of borrowed funds. The major sources of funding presently are the following:

a) **Term Loans:** During the year, the Company raised additional Term Loans from Banks to the extent of Rs.92.30 Crores. The total outstanding Term Loans as on 31.3.2016 stood at Rs.281.69 Crores. The Term Loans availed from different Banks have been for long terms of 10 years. This has helped the company in minimising the mis-match as between the maturities of loan assets and liabilities. The accent in financial year 2015-16 was on getting rates of interest reduced by requesting banks and through this effort, borrowing cost was reduced considerably.

The term loans of the Company have been rated by M/s CARE Ratings Limited and the Rating Agency has assigned "Triple B+" rating for the Bank liabilities.

b) **Deposits:** The aggregate amount of deposits of the Company as on 31.3.2016 were Rs.13.62 Crores as against the figure of Rs.10.67 Crores as on 31.3.2015. The Company has plans to mobilise additional deposits of about a couple of Crores of rupees in FY 2016-17.

The public deposits of the Company have been rated by the Rating Agency M/s CARE Ratings Limited and the rating assigned by them is "Triple B+."

c) **Unclaimed Deposits:** The total amount of matured deposits as on 31.3.2016 were Rs.1.85 Lakhs involving 8 accounts as against Rs.5.29 Lakhs as on 31.3.2015 comprising 7 accounts. It has been the constant endeavour of the Company to contact the depositors and get the deposits renewed or in case they are not interested in renewing the deposits, to refund the same. It will be the constant endeavour of the Company to reduce the amount of unclaimed deposits by means of follow-up with depositors.

d) **Re-finance:** The amount of re-finance outstanding as on 31st March, 2016 was Rs.8.67 Crores, as the Company has not availed re-finance from NHB during the year.

4. Dividend:

Your Company is a consistently dividend paying company. Over the last several years, the Company has adopted a consistent dividend policy which seeks to balance the twin objectives of rewarding the shareholders to the extent possible and retaining a portion of profits for building up reserves, in order to maintain a healthy capital adequacy ratio to support continued growth and asset expansion. Based on the Company's performance, your Directors are pleased to recommend a dividend of 4% (Rs.0.40 paise) per equity share of face value of Rs.10/- each for the year ended March 31, 2016. The interim dividend of 7% (Rs.0.175 paise) per Cumulative Redeemable Preference Shares of Rs.10/- each was paid on 01.07.2015, 01.10.2015, 01.01.2016 and 31.03.2016.

The dividend on equity shares subject to approval of Members at the Annual General Meeting scheduled to be held on 30.8.2016, will be paid on or after that date, to the members whose names appear in the Register of Members, as on the date of book closure, i.e. from 27.08.2016 to 30.08.2016 (inclusive of both dates). The total dividend for the Financial Year, including the proposed equity dividend, amounts to Rs.50,75,668/- excluding dividend distribution tax of Rs.10,00,798/-.

5. Share Capital:

The paid up Share Capital as on 31st March, 2016 was Rs.10,62,07,500/- . During the year under review, the Company has not issued any shares. The Company has not issued shares with differential voting rights. It has neither issued employee stock options nor sweat equity shares and does not have any scheme to fund its employees to purchase the shares of the Company.

6. Management of NPAs:

The Company gives utmost attention to management of NPAs and their recovery. It is the endeavour of the Company to maintain the quality of assets through constant monitoring and follow-up. The recovery strategy of the Company is oriented towards improving recovery of NPAs and upgradation of sub-standard loan accounts. It has been the earnest endeavour of the Company to reduce NPAs and restrict the percentages of NPAs to lowest rate possible. The details of NPAs as on 31.3.2016 with comparative data as on 31.3.2015 are furnished here below:-

Classification	31st March 2016		31st March 2015	
	No. of A/cs	Amount (Rs.)	No. of A/cs	Amount (Rs.)
Sub-standard Assets	16	1,40,06,292	22	1,05,18,662
Doubtful Assets	51	3,12,12,806	47	3,55,00,409
Loss Assets	-	-	-	-
Total	67	4,52,19,098	69	4,60,19,071

As could be seen, the net NPA percentage as on 31.3.2016 was 0.10% as against 0.24% a year ago. Similarly, gross NPA percentage was 1.33% as on 31.3.2016 as against 1.45% as on 31.3.2015. As regards existing NPA accounts, efforts are on to ensure their recovery through various recovery measures. Action under SARFAESI Act is also pursued vigorously to get the NPA accounts closed apart from employing other recovery measures including one-time settlement.

The company has in place a comprehensive collection and recovery policy. It is hoped that with the on-going efforts of field level functionaries and recovery staff at all levels and with the vigorous pursuance of various recovery measures, we can accelerate recovery and further reduce NPAs in 2016-17.

7. Corporate governance:

Corporate governance aims at enhancing and maximising shareholder value legally and ethically on a sustainable basis. Corporate governance represents a set of systems and practices to ensure that the affairs of the Company are managed in a way that ensures accountability, transparency and fairness in all transactions. Your Company is fully committed to pursue goals and objectives which are in the best interests of stake holders. The Company aims at achieving highest standards of corporate governance. The Company has Board Committees for different matters and subjects. These committees also make their contribution to better corporate governance. Also, there is a system of internal audit in the Company which is conducted by an independent firm of chartered accountants. The Company also reviews the corporate governance practices with references to the practices obtaining in the corporate sector and the regulatory developments. The Company has complied with not only statutory requirements but also, voluntarily adhered to a set of strong corporate governance practices.

8. Directors and Key Managerial Personnel :

Smt. Vijayalaxmi N. Pai (DIN : 00101662), Director retire by rotation at the forthcoming Annual General Meeting and being eligible, offer herself for reappointment. Details of remuneration paid to the Directors and Key Managerial Personnel are given in the Annexure I forming part of the Boards' Report.

During the year, Mr. Subramani R. (DIN : 05297935) has been appointed as Nominee Director. Further, Mr. Vinayaka N. Shanbhag has resigned as Nominee Director of the Company w.e.f. 14.09.2015. The Board wishes to place on record its sincere appreciation of the valuable services rendered by Mr. Vinayaka N. Shanbhag during his tenure as Nominee Director of the Company.

9. Particulars of Employees:

During the year under review, the Company had no employees whose remuneration exceeded the limit prescribed pursuant to the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

10. Meetings:

A calendar of Meetings is prepared and circulated in advance to the Directors. During the year five Board Meetings were convened and held on 29.06.2015, 14.09.2015, 12.12.2015 and 29.03.2016. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

The Audit Committee constituted by the Board of Directors had its Meetings on 29.6.2015, 14.9.2015, 12.12.2015 and 29.03.2016 respectively, during the year. The committee, among other things, deliberated on issues relating to risk management, internal control and inspection, audit of branches, financial performance of the company at quarter ends, cost of borrowing and funding cost, recovery & reduction of NPAs and steps required to improve net interest margin, etc.

11. Board Evaluation:

The Companies Act, 2013 stipulates that a formal evaluation has to be done by the Board of its own performance and the performance of committees and individual directors. The Board has carried out an annual evaluation of its own performance, performance of the directors individually as well as the evaluation of the working of various committees.

12. Declaration by an Independent Director(s) and re-appointment, if any :

The Company has obtained declarations by the Independent Directors stating that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013. An independent director shall hold office for a term up to five consecutive years on the Board of a Company, but shall be eligible for reappointment for next five years on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

13. Nomination & Remuneration Policy:

The functions of the Nomination and Remuneration Committee of the Directors include recommending policy to the Board with regard to remuneration to Directors including Managing Director/whole-time Director/Executive Director, performance bonus if any to Directors, perquisites, sitting fees, travelling and other travel expenses etc. The Committee also identifies and recommends suitable candidates for appointment as Directors from time to time. The Committee comprises following Directors:-

1. Sri N. A. Shanbhag – Chairman 2. Sri T. Sunil Pai – Executive Director 3. Sri K. T. Rai – Nominee Director

The Committee also attends to the function relating to review of remuneration policy, changes to be effected in the policy from time to time and other aspects of remuneration to the Directors from time to time.

14. Auditors:

The Auditors, M/s Pai Nayak & Associates Chartered Accountants, Udupi retire at the ensuing Annual General Meeting and, being eligible, offer themselves for reappointment to hold office till the conclusion of the AGM to be held in the Calendar year 2017 subject to ratification in the ensuing Annual General Meeting.

15. Auditor's Report:

In respect of the comments made by the auditors in the Para "Emphasis of the matter" the relevant explanation given by the Company vide Note No. 2.02 to the Financial Statements is self-explanatory.

In respect of comments made by the Auditors in Para I (c) of Annexure A to Independent Auditors' Reports, the necessary explanation given by the Directors under Note No. 9.01 of Notes to Accounts is self explanatory.

16. Internal Financial Control:

It is the earnest endeavour of the Company to maintain adequate internal controls over the financial reporting. Internal controls have been designed to provide reasonable assurance regarding the reliability of financial reporting and preparation of financial statements in accordance with accounting principles generally accepted in India. The Company has internal control system commensurate with the size and nature of the business. The Company engages M/s. N. P. Pai & Co., Chartered Accountants, Udupi, (Firm Registration No.115271W / Membership No.039351) as its Internal Auditor. During the year, the Company continued to implement their suggestions and recommendations to improve the control environment. Their scope of work includes review of processes for safeguarding the assets of the Company, review of operational efficiency, effectiveness of systems and processes, and assessing the internal control strengths in all areas. Internal Auditors findings are discussed and acted upon and suitable corrective actions taken as per the directions of Audit Committee on an ongoing basis to improve efficiency in operations.

17. Risk Management and Asset Liability Management System:

We have put in place an integrated risk management system covering credit risk, ALM, operational risk, interest rate risk, information security risk, etc. The risk management process involves selecting and implementing measures to alleviate the impact of identified risks. The Company has put in place an asset liability management system on the basis of the guidelines issued by NHB. Since the operations of our Company being a housing finance Company may give rise to Asset Liability mismatches and interest rate risk exposures, it was found necessary to introduce a comprehensive system as part of our overall system for effective risk management both on liabilities and asset sides.

The NHB guidelines relating to Asset Liability Management System and risk management are strictly complied with. The Asset Liability Management Committee (ALCO) meets every half-year to monitor as well as to deliberate on liquidity risk, interest rate risk, earnings risk, pricing both in respect of deposits and loans, maturity profiles of incremental assets and liabilities, cash flow, issues relating to profit planning and other aspects of balance sheet management. ALCO reviews position with reference to tolerance limits at half year ends before submitting the prescribed Asset Liability Management Return to the NHB.

During the year ALCO met on 30.09.2015 and 31.03.2016 to deliberate on issues of the nature mentioned above and also to discuss interest rates on deposits and housing loans. The ALCO examines interest rate scenario from time to time and makes its recommendations regarding changes in interest rates to be made if any to the Management.

18. Extract of Annual Return:

As provided under Section 92(3) of the Companies Act, 2013, the extract of annual return is given in Annexure I in the prescribed Form MGT 9, which forms part of this Annual Report.

19. 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 and changes in nature of business, if any:

There are no such material changes to be reported in this regard and there are no change in nature of business.

20. 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:

Your Directors wish to state that there have been no significant or material orders that were passed by the Regulators or Courts or Tribunals which may impact the going concern status and operations of the Company in future.

21. Corporate Social Responsibility:

The Company has in place a Corporate Social Responsibility (CSR) Policy. Corporate Social Responsibility (CSR) Policy represents the perennial commitment of MHFSL to strive its best to contribute to socio-economic well being of the community around.

The Corporate Social Responsibility (CSR) Committee constituted by the Board includes the following Directors as its members :-

- | | | | |
|------------------------|------------|------------------|----------------------|
| Sri N. A. Shanbhag | – Chairman | Sri T. Sunil Pai | – Executive Director |
| Smt Vijayalaxmi N. Pai | – Director | Sri K. T. Rai | – Nominee Director |

The Committee meets periodically for discussing the CSR initiatives and CSR efforts of the company. The CSR Committee met on 30.09.2015, 31.12.2015 and 31.03.2016 and deliberated on plans and projects relating to CSR. An amount of Rs. 14,60,133/- has been earmarked for CSR spending as against Rs.13,79,391/- allocated for CSR spending in the previous year. The Annual Report on CSR activities is annexed herewith marked as Annexure II.

22. Deposits :

The details relating to deposits, covered under Chapter V of the Act,-

(a) Accepted during the year; (including renewals)	Rs. 11,73,82,697/-
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- (b) Remained unpaid or unclaimed as at the end of the year; Rs.1,84,904/-
 (c) Whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved- No.

The details of deposits which are not in compliance with the requirements of Chapter V of the Act: Nil.

23. Particulars of loans, guarantees or investments under Section 186:

Details of Loans: Not applicable to Housing Finance Companies since same are given in the ordinary course of business.
 Details of Guarantee / Security Provided: Not applicable to Housing Finance Companies. However no such guarantee or security was provided.
 Investments made are of the nature quoted equity shares and Government Bonds. Particulars of such investments are provided in the financial statements vide note Nos.9.01 to 9.03.

24. OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

In order to prevent sexual harassment of Women at workplace, a new Act The Sexual Harassment of Women at Work Place (Prevention, Prohibition & Redressal) Act, 2013 has been notified on 9th December, 2013. In terms of the said Act, MHFSL has constituted an Internal Complaints Committee to look into complaints of sexual harassment at work place of any women employee. The company has adopted a policy for prevention of sexual harassment of women at work place and has set up internal committee for implementation of the said policy. During the year, the Committee met on 30.09.2015, 31.12.2015 and 31.03.2016 and deliberated on general issues relating to sexual harassment of women as there were specific complaints of sexual harassment of any women employee.

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

The Company did not have any activity in relation to conservation of energy or technology absorption. The Company had no foreign exchange earnings or outgoings during the year under report.

26. Directors' Responsibility Statement :

Your Directors hereby report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, that—

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

27. Transfer of Amounts to Investor Education and Protection Fund :

Pursuant to the provisions of the Investor Education Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has already filed the necessary form and uploaded the details of unpaid and unclaimed amounts lying with the Company, as on the date of last AGM (i.e. 13.8. 2015), with the Ministry of Corporate Affairs.

Information in respect of unclaimed dividend when due for transfer to the Investor Education Protection Fund is given below:

Financial Year ended	Date of Declaration of Dividend	Last Date for claiming unpaid dividend	Due date for transfer to IEP Fund
31.03.2009	17.08.2009	16.08.2016	16.09.2016
31.03.2010	16.08.2010	15.08.2017	15.09.2017
31.03.2011	01.08.2011	31.07.2018	31.08.2018
31.03.2012	09.08.2012	08.08.2019	08.09.2019
31.03.2013	17.08.2013	16.08.2020	16.09.2020
31.03.2014	20.08.2014	20.08.2021	20.08.2021
31.03.2015	13.08.2015	13.08.2022	13.08.2022

28. Related party Transaction :

All related party transactions that were entered into were on an arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of Companies Act, 2013 ("the Act"). There were no materially significant Related Party Transactions made by the Company during the year that would have required shareholders approval under the provisions of the Act. Details of the transactions with related parties are provided in the Note No. 25.04 of accompanying financial statements. Form 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 is annexed herewith marked as Annexure III.

29. Vigil Mechanism:

The company has in place a whistle blower policy that was adopted under Vigil Mechanism pursuant to Section 177 (9) and (10) of the Companies Act, 2013. Directors and employees and other stakeholders are free to report genuine concerns if any under the policy. The policy stands uploaded in Company's website www.manipalhousing.com.

30. Acknowledgements:

Your directors wish to place on record their gratitude for the continued co-operation and support received from the promoters, particularly, the Syndicate Bank, being one of the Promoters. The Board is also grateful to the Reserve Bank of India and the National Housing Bank for their guidance and co-operation and all the bankers, shareholders, depositors, customers and others who have helped the Company in its endeavors.

Your directors also wish to place on record their deep sense of appreciation of the services rendered by the staff members at all levels.

For and on behalf of the Board of Directors

Place : Manipal
 Date : 22.6.16

Sd/-
T. Sunil Pai
 Executive Director
 DIN: 00101564

Sd/-
B. Ganapathi Pai
 Director
 DIN: 07209943

**Annexure I**

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2016

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

I. REGISTRATION & OTHER DETAILS:

1	CIN	U65922KA1986PLC007396
2	Registration Date	06.01.1986
3	Name of the Company	Manipal Housing Finance Syndicate Ltd.
4	Category/Sub-category of the Company	-
5	Address of the Registered office & contact details	Regd. Office : "Manipal House", Manipal - 576 104 Udupi Dist. Ph: 0820-2570741
6	Whether listed Company	Not listed
7	Name, Address & Contact Details of the Registrar & Transfer Agent, if any.	-

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	Housing Finance	-	82.39%
2	Jewel Loan	-	10.30%

III. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	-	265800	265800	3.12	-	280400	280400	3.30	0.17
b) Central Govt.									
c) State Govt(s)									
d) Bodies Corp.	-	4328100	4328100	50.91	-	4328100	4328100	50.91	-
e) Banks/FI	-	600000	600000	7.02	-	600000	600000	7.02	-
f) Any other	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)	-	5193900	5193900	61.06	-	5208500	5208500	61.23	0.17
B. Public Shareholding									
1. Institutions	0	0	0	0	0	0	0	0	0
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							
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	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	
Sub-total (B)(1);									
2. Non-institutions									
a) Bodies Corp.	0	0	0	0	0	0	0	0	0
i) Indian	0							0	
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals	0	0	0	0	0	0	0	0	
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	0	2597650	2597650	30.54	0	2570850	2570850		30.23
ii) Individual shareholders holding nominal share capital in excess of Rs1 lakh	0	725950	725950	8.53	0	725950	725950	8.53	-



c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	-	-	-	-	-	-	-	-	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	3323600	3323600	39.08	-	3296800	3296800	38.76	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	8505300	8505300	100	-	8505300	8505300	100	-

A. Shareholding of Promoter:

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1.	ICDS LTD.	729000	8.57	0	729000	8.57	0	0
2.	SYNDICATE BANK	600000	7.05	0	600000	7.05	0	0
3.	MFC LTD.	699100	8.21	0	699100	8.21	0	0
4.	MPL INSURANCE AGENCY SERVICES (P) LTD.	2900000	34.09	0	2900000	34.09	0	0
5.	T. NARAYAN M. PAI	108900	1.28	0	123500	1.45	0	0
6.	T. SANJAY PAI	80000	0.93	0	80000	0.93	0	0
7.	SANGEETHA PAI	24600	0.28	0	24600	0.28	0	0
8.	PRANITA PAI	52300	0.62	0	52300	0.62	0	0

B. Change In Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year	108900	1.28	108900	1.28
2.	Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc.):	-	-	14600 (transfer)	0.17
3.	At the end of the year	108900	1.28	123500	1.45

**C. Shareholding Pattern of top ten Shareholders:
(Other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year	356600	4.14	356600	4.14
2.	Date-wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc.):	0	0	0	0
3.	At the end of the year	356600	4.14	356600	4.14

D. Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year	134000	1.58	134000	1.58
2.	Date-wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	0	0	26200 (transfer)	0.30
3.	At the end of the year	134000	1.58	160200	1.88

E. INDEBTEDNESS – Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Rs.)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2656316443	–	106736626	2763053069
ii) Interest due but not paid	–	–	12312	12312
iii) Interest accrued but not due	21998327	–	707912	22706239
Total (i+ii+iii)	2678314770	–	107456850	2785759308
Change in Indebtedness during the financial year				
* Addition	922999000	–	117382697	1040381697
* Reduction	735567865	–	87926846	823494711
Net Change	187431135	–	29455851	216886986
Indebtedness at the end of the financial year				
i) Principal Amount	2841071217	–	136192477	2977263694
ii) Interest due but not paid	0	–	0	–
iii) Interest accrued but not due	24674688	–	1278098	25952786
Total (i+ii+iii)	2865745905	–	137770575	3003216480

IV. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:
A. Remuneration to Executive Director/ Whole-time Director:

Sl. No.	Particulars of Remuneration	Name Total Amount	
		T. Sunil Pai	
1	Gross salary	Rs.	Rs.
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	360000	360000
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	54200	54200
	(c) Profits in lieu of salary under Section 17(3) of Income- tax Act, 1961	0	0
2	Stock Option	0	0
3	Sweat Equity	0	0
4	Commission	0	0
	- as % of profit - others, specify...		
5	Others, please specify	0	0
	Total (A)	414200	414200
	Ceiling as per the Act		

B. Remuneration to other directors

Sl. No.	Particulars of Remuneration	Name of Directors		Total Amount
		N. A. Shanbhag	B. G. Pai	
1	Independent Directors	Rs.	Rs.	Rs.
	Fee for attending board committee meetings	6000	6000	12000
	Commission	–	–	–
	Travelling Allowance	59843	–	59843
	Total (1)	65843	6000	71843
2	Other Non-Executive Directors	Subramani R. and K. T. Rai	V. N. Pai	
	Fee for attending board committee meetings	–	–	–
	Commission	–	–	–
	Others, please specify	–	–	–
	Total (2)	–	–	–
	Total (B)=(1+2)	–	–	–
	Total Managerial Remuneration	–	–	–
	Overall Ceiling as per the Act	–	–	–

C. Remuneration to Key Managerial :

Sl. No.	Particulars of Remuneration	Key Managerial Personnel	
		C F O:- G. K. BHAT	Total
1	Gross salary	Rs.	Rs.
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	2,63,000/-	2,63,000/-
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	–	–
	(c) Profits in lieu of salary under Section 17(3) of Income-tax Act, 1961	–	–
2	Stock Option	–	–
3	Sweat Equity	–	–
4	Commission	–	–
	- as % of profit others, specify...		
5	Others, please specify	–	–
	Total	2,63,000/-	2,63,000/-

V. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

Annexure II

THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT

CSR Policy:

The Corporate Social Responsibility (CSR) Committee will identify CSR project/activity, sector in which project is to be covered, suggest the area where project has to be undertaken, recommend the outlay for the project, etc.

CSR Activities:

- Corporate Social Responsibility (CSR) represents the perennial commitment of MHFSL to strive its best to contribute to socio-economic well being of the community around.

The Corporate Social Responsibility (CSR) Committee has been constituted by the Board in the meeting held on 9th December, 2014.

- The Committee consists of following members:-

Sri N. A. Shanbhag – Chairman & Independent Director
 Sri T. Sunil Pai – Executive Director
 Smt. Vijayalaxmi N. Pai – Director
 Sri K. T. Rai – Nominee Director

- Average net profit of the Company for last three financial years: Rs. 7,30,06,867/-
- Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) Rs.14,60,133/-
- Details of CSR spent during the financial year. Nil
- (a) Total amount to be spent for the financial year : Rs. 14,60,133/-
 (b) Amount unspent, if any; Rs.14,60,133/-.

Sd/-
 T. Sunil Pai
 Executive Director
 DIN: 00101564

Sd/-
 B. Ganapathi Pai
 Director
 DIN: 07209943

Annexure - III

FORM NO. AOC -2

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

Form for Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub section (1) of Section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

- Details of contracts or arrangements or transactions not at Arm's length basis: Nil
- Details of contracts or arrangements or transactions at Arm's length basis: All related party transactions as covered u/s 188 of the Act were entered into during the period prior to 01.04.2015. Therefore making any further disclosures in Form AOC-2 does not arise.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MANPAL HOUSING FINANCE SYNDICATE LIMITED, MANIPAL

Report on the Financial Statements

We have audited the accompanying financial statements of MANIPAL HOUSING FINANCE SYNDICATE LIMITED ("the company"), which comprises the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters 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 specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2016;
- In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of matter

We draw attention to Note 2.02 to the financial statements, which describes the accounting treatment of the expenditure on creation of Deferred Tax Liability on Special Reserve under Section 36(1)(viii) of the Income Tax Act, 1961 as at 31st March 2016, pursuant to National Housing Bank's Circular No. NHB(ND)/DRS/Policy Circular 65/2014-15 dated 22nd August, 2014.

Our opinion is not qualified in respect of this matter.

Report on other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, we give in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- As required by Section 143(3) of the Act, we report
 - We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - The Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - The matter described in the Emphasis of the Matter paragraph will not have any adverse effect on the functioning of the Company.
 - On the basis of written representations received from the directors as on 31 March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2016 from being appointed as a director in terms of Section 164(2) of the Act.
 - With respect to the adequacy of the internal financial controls over financial reporting of the Company and operating effectiveness of such controls, refer to our separate report in 'Annexure B'.
 - With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014 in our opinion and to the best of our information and according to the explanations given to us:
 - The Company has disclosed the impact of pending litigations on its financial position as referred to in Note 25.06 and 25.12 of the financial statements.
 - The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 - There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund, by the Company.

For PAI NAYAK & ASSOCIATES

Chartered Accountants

Firm's Registration Number: 009090S

Sd/- CA ANANTHANARAYANA PAI K.

Partner

Membership Number: 024541

Place : Manipal
Date : 22nd June 2016

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT
(Issued to Manpal Housing Finance Syndicate Ltd., Manpal for the year ending 31st March, 2016)
(Referred to in paragraph 1 of our report of even date under the Heading
"Report on other Legal and Regulatory Requirements")

- i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
b) The fixed assets of the Company have been physically verified by the management. In our opinion, the frequency of such verification is reasonable having regard to the size of the Company and the nature of its assets. As explained to us, no material discrepancies were noticed on such verification.
c) According to the information given to us and on the basis of our examination, title deeds of immovable properties are held in the name of the Company, except as below:

Particulars	Total Number of cases	Nature	Gross Block Rs.	Net Block Rs.	Remarks if any
Land Registration	One	Freehold	95,15,615	95,15,615	Pending Registration
Building	Two	Leasehold	1,26,38,840	1,03,23,078	- do -

- ii) According to the information and explanations given to us, the inventories have been physically verified by the management during the year. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
- iii) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the Company has not granted any loans, secured or unsecured, to Companies, Firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013. Accordingly the question of making further observations in this aspect does not arise.
- iv) According to the information and explanations given to us, the Company has Complied with the provisions of Section 185 and 186 of the Companies Act 2013 in respect of loans granted and Investments made. We are informed by the management that the Company has not issued any guarantee or provided any security to any other person.
- v) In our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by the National Housing Bank and the provisions of Section 73 to 76 of the Companies Act, 2013 and the Companies (Acceptance of Deposit) Rules, 2014. The public deposit accepted by the Company are governed by the directives issued by the National Housing Bank vide Notifications issued from time to time. The management has informed us that there are no orders by Company Law Board or National Company Law Tribunal or National Housing Bank or Reserve Bank of India or any Court or any other tribunal, in respect of Deposits.
- vi) The Central Government has not prescribed maintenance of cost records u/s 148(1) of the Companies Act, 2013 for the Company. Therefore the question of making any comments as required under paragraph 3(vi) of the Order does not arise.
- vii) a) According to the information and explanations given to us and on the basis of our examination of the record of the Company, amounts deducted/accrued in the books of account in respect of 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 (if payable by the Company) have been regularly deposited during the year by the Company with the appropriate authorities.
b) According to the records of the Company made available to us and as per the information and explanations given, there are no dues of income tax, sales tax, , service tax, duty of customs, duty of excise, value added tax or cess which have not been deposited on account of any dispute except as mentioned below:
Income Tax demanded but not deposited for the A Y 2012-2013 Rs.36,21,680/- & A Y 2013-2014 Rs.48,39,580
Appeal pending in respect of assessment for the above years, before Commissioner of Income Tax (Appeals).
- viii) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of loans or borrowings to financial institution and/or banks. Making any comments on repayment of loans to the Government or repayment of dues to debenture holders does not arise, since no such amounts were outstanding at any time during the year under audit.
- ix) In our opinion and according to the information and explanation given to us, no moneys were raised by the Company by way of initial public offer or further public offer (including debt instruments). The Company has utilized the term loan for the purpose for which it was obtained.
- x) Based on the audit procedures performed and the information and explanations given to us, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year, nor have we been informed of such case by the management.
- xi) According to the information and explanation given to us, the managerial remuneration has been paid or provided with the requisite approvals mandate by the provisions of section 197 read with Schedule V to the Companies Act.
- xii) The Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 177 and 188 of the Act wherever applicable and the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.
- xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Therefore, the question of compliance with Section 192 of the Companies Act, 2013 does not arise. Accordingly, the paragraph 3(xv) of the Order is not applicable.
- xvi) The Company has obtained registration to "commence/carry on the business of a Housing Finance Institution" from National Housing Bank under Section 29A of the National Housing Bank Act 1987. Therefore the question of obtaining further registration under Section 45-IA of the Reserve Bank of India Act, 1934 does not arise.

For PAI NAYAK & ASSOCIATES
Chartered Accountants
Firm's Registration Number: 009090S

Sd/- CA ANANTHANARAYANA PAI K.
Partner
Membership Number: 024541

Place : Manpal
Date : 22nd June 2016



ANNEXURE 'B' TO INDEPENDENT AUDITORS' REPORT
(Issued to the Members of MANIPAL HOUSING FINANCE SYNDICATE LIMITED)
REFERRED TO IN PARAGRAPH 2(f) UNDER THE HEADING
"REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF EVEN DATE

Report on the Internal Financial Controls under Clause (f) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Manpal Housing Finance Syndicate Limited ("the Company") as of 31 March, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the standards on Auditing issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of Internal Financial Controls both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitation of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants Of India.

For PAI NAYAK & ASSOCIATES

Chartered Accountants

Firm's Registration Number: 009090S

Sd/- CA ANANTHANARAYANA PAI K.

Partner

Membership Number: 024541

Place : Manipal

Date : 22nd June 2016

REPORT FOR THE YEAR ENDING 31.03.2016

(Ref: NHB. HFC.DIR./CMD/2001)

We M/s Pai Nayak & Associates, Chartered Accountants, the Statutory Auditors of M/s Manpal Housing Finance Syndicate Limited, Manipal, report that :-

1. The company has been registered with NHB vide Certificate of Registration No.01.0026.02 dated 7th May, 2002.
2. The Housing Finance Company has complied with the prescribed liquidity requirements as per Section 29B of the National Housing Bank Act, 1987 as observed from the returns submitted and kept the approved securities with a designated Bank.
3. The Company has complied with the Section 29C of the directions.
4. As per the information received and as evident from the records, the Company has complied with the provisions of the directions under report.
5. The capital adequacy ratio is disclosed in the return for 31.03.2016 submitted to the National Housing Bank in terms of National Housing Bank's guidelines to Housing Finance Companies on prudential norms for income recognition, accounting standards, asset classification, provisioning for bad and doubtful debts, capital adequacy and concentration of credit/investments, has been determined at 21.93% (20.26% as a percentage to Tier 1 Capital and 1.68% as a percentage to Tier II Capital) the ratio which is in compliance with the minimum capital to Risk/Assets Ratio prescribed by the National Housing Bank.
6. a) The public deposits accepted by the Housing Finance Company are within admissible limits.
 b) Total borrowings of the Housing Finance Company i.e., deposits inclusive of public deposits together with the amounts referred to in sub-clauses (iii) to (vii) of sub-section(bb) of Section 45 I of Reserve Bank of India Act, 1934 and loans or other assistance from Banks as on 31.03.2016 are within the limits prescribed in these Directions.
 (c) The Company has obtained rating for its deposits from the credit rating agency i.e., M/s Credit Analysis & Research Limited. The aforesaid rating agency has assigned the ratio "CARE BBB+ (Triple B Plus)" for the deposits of the Company, vide their letter dated 4th December, 2015.
 (d) As per the information and explanations given to us, the Company has not defaulted during the year ended 31.03.2016 in paying to its depositors the interest and / or principal amounts of deposits after such interest and / or principal became due.
 (e) As per the information furnished to us and as evident from the records produced before us, the Company has not closed any of the Branches during the year under audit.

Issued to Manpal Housing Finance Syndicate Limited, Manipal.

For PAI NAYAK & ASSOCIATES

Chartered Accountants

Firm's Registration Number: 009090S

Sd/- CA ANANTHANARAYANA PAI K.

Partner

Membership Number: 024541

Place : Manipal

Date : 22nd June 2016

BALANCE SHEET AS ON 31.03.2016

Particulars	Note No.	31.03.2016		31.03.2015	
		Rs.	Rs.	Rs.	Rs.
A. EQUITY AND LIABILITIES :					
1. Shareholders' Funds					
a) Share Capital	1	10,62,07,500		10,62,07,500	
b) Reserves & Surplus	2	36,79,34,231	47,41,41,731	32,96,58,475	43,58,65,975
2. Non-current liabilities					
a) Long term borrowings	3	249,62,95,234		226,92,36,804	
b) Long term provisions	4	2,43,94,784		2,53,40,035	
c) Deferred tax liability (net)	5	1,75,85,230	253,82,75,248	31,80,755	229,77,57,594
3. Current liabilities					
a) Short term borrowings	6	4,88,72,581		5,19,32,529	
b) Other current liabilities	7	46,63,58,269		52,53,61,289	
c) Short term provisions	8	2,16,15,024	53,68,45,874	1,71,46,217	59,44,40,035
TOTAL			354,92,62,853		332,80,63,604
B. ASSETS :					
1. Non-current assets					
a) Fixed Assets:					
Tangible assets	9	2,78,87,096		2,80,85,853	
b) Non-current investments	10	1,82,78,299		1,90,69,077	
c) Long term loans & advances	11	307,27,85,846		268,45,76,171	
d) Other Non-current Assets	12	51,21,809	312,40,73,050	40,12,969	273,57,44,070
2. Current assets					
a) Inventories	13	1,00,925		99,862	
b) Cash and Cash Equivalents	14	2,04,75,779		4,40,04,960	
c) Short term loans and advances	15	39,49,19,253		54,38,89,456	
d) Other Current Assets	16	96,93,846	42,51,89,803	43,25,256	59,23,19,534
TOTAL			354,92,62,853		332,80,63,604
OTHER DISCLOSURES TO ACCOUNTS:	25				

The notes are an integral part of these financial statements.

As per our report of even date

For PAI NAYAK & ASSOCIATES
 Chartered Accountants
 Firm Registration No.: 009090S

Sd/- Sunil T. Pai
 Executive Director

Sd/-Subramani R.
 Sd/- B. Ganapathi Pai
 Directors

Sd/- Gopalakrishna Bhat
 Chief Financial Officer

Sd/- CA Ananthanarayana Pai K.
 Partner
 Membership No.: 024541

Place: Manipal
 Date : 22nd June 2016

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31.03.2016

Particulars	Note No.	2015-16		2014-15	
		Rs.	Rs.	Rs.	Rs.
I. Revenue					
Revenue from Operations	17	42,14,33,205		44,54,98,004	
Other Income	18	17,61,321		16,27,540	
TOTAL REVENUE		42,31,94,526		44,71,25,544	
II. Expenses					
Employee Benefit expenses	19	1,66,24,851		1,85,55,080	
Finance costs	20	29,80,25,753		32,01,53,300	
Depreciation and amortization expense	21	23,93,218		34,85,047	
Other Expenses	22	2,11,25,447		2,98,40,799	
TOTAL EXPENSES		33,81,69,269		37,20,34,226	
Profit Before Exceptional Items and Tax		8,50,25,257		7,50,91,318	
Less: Exceptional items	23	30,19,278		30,28,197	
Profit Before Tax		8,20,05,979		7,20,63,121	
Tax expense					
a) Current Income Tax		2,34,00,000		2,08,00,000	
b) Income Tax – Earlier year's provision		48,709		10,95,487	
c) Deferred Tax Adjustments (Refer Note 5.02 and 2.02)		41,68,756	2,76,17,465	20,02,765	2,38,98,252
Profit for the year		5,43,88,514		4,81,64,869	
Earning Per Equity Share (Equity share of Rs. 10/- each)	24				
Basic Earning per share in Rs. Ps			6.19		5.43
Diluted Earning per share in Rs. Ps			6.19		5.43
OTHER DISCLOSURES TO ACCOUNTS:	25				

The notes are an integral part of these financial statements.

As per our report of even date

For PAI NAYAK & ASSOCIATES

Chartered Accountants

Firm Registration No.: 009090S

Sd/- Sunil T. Pai
Executive Director

Sd/- Subramani R.
Sd/- B. Ganapathi Pai
Directors

Sd/- Gopalakrishna Bhat
Chief Financial Officer

Sd/- CA Ananthanarayana Pai K.
Partner
Membership No.: 024541

Place : Manipal
Date : 22nd June 2016

NOTES TO ACCOUNTS FORMING PART OF BALANCE SHEET AS ON 31ST MARCH, 2016

	31.03.2016		31.03.2015	
	Rs.	Rs.	Rs.	Rs.
NOTE 1:				
SHARE CAPITAL				
(Refer Note: 1.01 to 1.04 below)				
Authorised Capital :				
86,00,000 (PY 86,00,000) Equity Shares of Rs.10 each		8,60,00,000		8,60,00,000
34,00,000 (PY 34,00,000) 7% Cumulative Redeemable Preference Shares of Rs.10 each		3,40,00,000		3,40,00,000
		12,00,00,000		12,00,00,000
Issued, Subscribed & Paid-up :				
85,05,300 Equity Shares of Rs. 10/- each fully paid up (Previous year 85,05,300 Equity Shares of Rs. 10 each fully paid)		8,50,53,000		8,50,53,000
Less: Calls in arrears (From persons other than directors)		1,500	1,500	8,50,51,500
21,15,600 7% Cumulative Redeemable Preference Share of Rs.10/- each fully paid up (Previous year 21,15,600)		2,11,56,000		2,11,56,000
TOTAL		10,62,07,500		10,62,07,500

Note 1.01: . Out of the above Preference Shares, 19,65,600 (face value Rs.1,96,56,000) shares were allotted on 30th Sept., 2013 and 1,50,000 (face value Rs.15,00,000) shares were allotted on 29th March, 2014. These shares are redeemable in the manner, mentioned in Note 1.03 below.

Note: 1.02: Reconciliation of number of shares

	As at March 31, 2016		As at March 31, 2015	
	Number of shares	Amount (Rs.)	Number of shares	Amount (Rs.)
a. Equity Shares				
Balance as at the beginning of the year	85,05,150	8,50,51,500	85,05,150	8,50,51,500
Adjustments during the year	-	-	-	-
Balance as at the end of the year	85,05,150	8,50,51,500	85,05,150	8,50,51,500
b. 7% Cumulative Redeemable Preference Shares				
Balance as at the beginning of the year	21,15,600	2,11,56,000	25,15,600	2,51,56,000
Redeemed during the year (at par i.e., at Rs.10 each)	-	-	4,00,000	40,00,000
Balance as at the end of the year	21,15,600	2,11,56,000	21,15,600	2,11,56,000

Note: 1.03: Rights, preferences and restrictions attached to shares

a. Equity Shares: The Company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per each share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in the case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company (after distribution of all preferential amounts) in proportion to their shareholding.

b. Cumulative Redeemable Preference Shares: These shares shall be redeemable at par after the expiry of 12 months but not later than 20 years from the respective dates of allotment at the discretion of the Board of Directors of the Company by giving not less than 3 months notice. The shares are entitled for preferential right over dividend (before the equity shareholders) at the rate of 7% per annum prorata, which is to be proposed by the Board of Directors, which is subject to the approval of the shareholders, in the ensuing Annual General Meeting, except in the case of payment of dividend as "interim dividend". Further shares are Cumulative and therefore the shareholders are entitled to carry forward the dividend of a year to the forthcoming year/s, in case the same is not declared in a year. In the event of liquidation, such shareholders are eligible to receive the face value (after distribution of all preferential amounts) before the distribution of assets to the equity shareholders. In case the assets available are not sufficient to cover up the face value, then the same will be distributed in proportion to their shareholding, if the surplus available, after distribution of all preferential amounts.

NOTES TO ACCOUNTS FORMING PART OF BALANCE SHEET AS ON 31ST MARCH, 2016

Note: 1.04: Details of shares held by shareholders holding more than 5% of the aggregate shares in the company

	As at March 31, 2016		As at March 31, 2015	
	Number of shares	Percentage	Number of shares	Percentage
a. Equity Shares				
M/s Syndicate Bank Manpal	6,00,000	7.05	6,00,000	7.05
M/s MPL Insurance Agency Services Private Ltd. Manpal	29,00,000	34.10	29,00,000	34.10
M/s ICDS Ltd. Manpal	7,29,000	8.57	7,29,000	8.57
M/s MFC Limited Manpal	6,99,100	8.22	6,99,100	8.22
b. 7% Cumulative Redeemable Preference Shares				
Mr T. Sanjay Pai	4,83,000	22.83	4,83,000	22.83
Ms Vijayalaxmi N. Pai	6,51,800	30.81	6,51,800	30.81
Mr T. Narayan M. Pai	6,09,200	28.80	6,09,200	28.80
Mr T. Sunil Pai	1,90,000	8.98	1,90,000	8.98
Ms Pranitha Pai	1,71,600	8.11	1,71,600	8.11

	31.03.2016		31.03.2015	
	Rs.	Rs.	Rs.	Rs.
NOTE 2:				
RESERVES & SURPLUS				
(also refer Note 2.01 to 2.04 below)				
Statutory Reserve				
(in terms of Sec. 36(1)(viii) of Income Tax Act, 1961 read with Section 29C of the National Housing Bank Act, 1987)				
Opening Balance	14,52,00,000		13,21,50,000	
Additions during the year	1,40,00,000		1,30,50,000	
Appropriation during the year	-		-	
Closing balance	15,92,00,000		14,52,00,000	
General Reserve				
Opening Balance	3,14,80,731		3,87,16,450	
Add: Transferred during the year	-		30,00,000	
	3,14,80,731		4,17,16,450	
Less: Transitional Adjustment with regard to deferred tax liability (refer note 2.02 below)	1,02,35,719	2,12,45,011	1,02,35,719	3,14,80,731
Capital redemption reserve (transferred during the year)				
Opening Balance	40,00,000		-	
Add: Transferred during the year	-	40,00,000	40,00,000	40,00,000
Surplus in Statement of Profit & Loss				
Balance at the beginning of the year	14,89,77,744		12,71,40,781	
Profit for the Year	5,43,88,514		4,81,64,869	
	20,33,66,258		17,53,05,650	
Less: Appropriations (refer Note 2.01 below)	2,98,77,039	18,34,89,219	2,63,27,906	14,89,77,744
	36,79,34,231		32,96,58,475	

Note: 2.01 Appropriations				
Transfer to Statutory Reserve	1,40,00,000		1,30,50,000	
Transfer to Capital Redemption Reserve	-		40,00,000	
Transfer to General Reserve	-		30,00,000	
Transitional adjustment as to depreciation (net of deferred tax adjustments) (refer note 8.03)	-		2,01,440	
Interim Dividend on Preference Shares (refer Note 2.03 below)				
1st Interim	3,70,230		4,40,230	
2nd Interim	3,70,230		4,40,230	
3rd Interim	3,70,230		4,22,918	
4th Interim	3,70,230		3,70,230	
Tax on distribution of Interim Preference Dividend	3,01,480		3,08,219	
Proposed Equity Dividend Rs. 0.40 Per share viz: 4% (P Y Rs.0.40 Per share viz: 4%)	34,02,060		34,02,060	
Tax on Distribution of Proposed Equity Dividend	6,92,579		6,92,579	
TOTAL APPROPRIATIONS	1,98,77,039		2,63,27,906	

NOTES TO ACCOUNTS FORMING PART OF BALANCE SHEET AS ON 31ST MARCH, 2016

Note 2.02: The Company has created special reserve in terms of Section 36(1)(viii) of Income Tax Act 1961, which is one of the precondition to claim deduction from the "total income chargeable to tax", under the aforesaid section. As per Section 41(4A) of the Income Tax Act, the amount drawn from the aforesaid reserve, will be added to the Total Income in the year of withdrawal and will be subject to tax in that year. However the Board has passed a resolution long back, not to withdraw any amount from the aforesaid reserve at any time, for any purpose and accordingly the question of applicability of Section 41(4A) of Income Tax 1961 does not arise. Therefore the Company has not provided for deferred tax liability till 31st March, 2014. However National Housing Bank has vide its letter No.NHB(ND)/DRS/Policy Circular 65/2014-15 dated 22nd August, 2014 has issued the directions as follows: "If the expenditure due to the creation of DTL on Special Reserve as at March 31, 2014 has not been fully charged to the Statement of Profit and Loss, HFCs may adjust the same directly from the Reserves over a period of 3 years starting with the current financial year, in a phased manner in the ratio of 25:25:50, in case if it prefers so, based on prudence. The details of the amount adjusted and to be adjusted, if any, may be appropriately disclosed in the Notes to Accounts of the financial statements of the respective years."

In compliance of the directives so issued, the Company has adjusted 25% of uncharged amount to the general reserve i.e. Rs.1,02,35,719/- as transitional adjustment during the year ending 31st March, 2015 and further adjusted 25% of uncharged amount to the general reserve Rs.102,35,719/- during the current year ending 31st March, 2016. Had this amount been charged to the Profit & Loss Account in accordance with the generally accepted accounting principles in India, the amount of Profit for the year had been lower by such amount.

The amount to be adjusted during the forthcoming years is Rs.2,04,71,439 i.e. to be adjusted during the year ending 31st March, 2017. Had these amounts been charged to the Statement of Profit and Loss in accordance with the generally accepted accounting principles in India, the amount of Profit for year in the Statement of Profit & Loss further lower by, the Reserves & Surplus in the Balance Sheet lower by and the Deferred Tax Liabilities in the Balance Sheet increase by such amount.

2.03: Dividend paid on Cumulative redeemable preference Shares at the rate of 7% prorata. Accordingly the Company has declared 1st, 2nd, 3rd and 4th interim dividend at the rate of 0.175 per share each time. Thus total dividend paid for whole year comes to Rs.0.70 per share on 21,15,600 shares. (P Y Rs.0.70 on 21,15,600 shares and Rs.0.48172 on 4,00,000 shares which were redeemed during that year and these dividends were distributed as 1st, 2nd, 3rd and 4th interim dividends)

2.04: The details of provision under Section 36(1)(viii) of Income Tax Act read with Rule 29C of National Housing Bank Act, 1987.

Particulars	Amount in Rs.	Current Year in Rs.	Previous Year in Rs.
A. Balance at the beginning of the year			
a) Statutory Reserve u/s 29C of NHB Act, 1987	-		-
b) Amount of Special Reserve u/s 36(1)(viii) of the IT Act,1961 taken into account for the purpose of Statutory Reserve u/s 29C of NHB Act, 1987	14,52,00,000	14,52,00,000	13,21,50,000
Total – (A)		14,52,00,000	13,21,50,000
B. Addition/ Appropriations/Withdrawal during the year			
Add: a) Amount transferred u/s 29C of the NHB Act, 1987	-		-
b) Amount of Special Reserve u/s 36(1)(viii) of the IT Act,1961 taken into account for the purpose of Statutory Reserve u/s 29C of NHB Act, 1987	1,40,00,000	1,40,00,000	1,30,50,000
Less: a) Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act, 1987	-		-
b) Amount withdrawn from the Special Reserve u/s 36(1)(viii) of the IT Act,1961 taken into account for the purpose of Statutory Reserve u/s 29C of NHB Act, 1987	-		-
Total – (B)		1,40,00,000	1,30,50,000
C. Balance at the end of the year			
a) Statutory Reserve u/s 29C of NHB Act, 1987	-		-
b) Amount of Special Reserve u/s 36(1)(viii) of the IT Act,1961 taken into account for the purpose of Statutory Reserve u/s 29C of NHB Act, 1987	15,92,00,000	15,92,00,000	14,52,00,000
Total – (A+B)		15,92,00,000	14,52,00,000
	31.03.2016		31.03.2015
	Non-Current	Current	Non-Current
	Rs.	Rs.	Rs.

NOTE 3:

LONG TERM BORROWINGS

(Refer Note: 3.01 to 3.06 below)

SECURED:

From Banks (including refinance from National Housing Bank)

NOTES TO ACCOUNTS FORMING PART OF BALANCE SHEET AS ON 31ST MARCH, 2016

	31.03.2016		31.03.2015	
	Non-Current	Current	Non-Current	Current
	Rs.	Rs.	Rs.	Rs.
Secured by hypothecation of receivables	240,38,27,675	40,70,51,028	224,84,11,928	42,74,49,909
Secured by hypothecation of Vehicle	5,35,725	2,97,331	-	-
A	240,43,63,400	40,73,48,359	224,84,11,928	42,74,49,909
UNSECURED:				
Public Deposits	9,19,31,834	4,40,75,739	2,08,24,876	8,53,81,765
Others	-	51,61,565	-	24,52,933
B	9,19,31,834	4,92,37,304	2,08,24,876	8,78,34,698
TOTAL (A+B)	249,62,95,234	45,65,85,663	226,92,36,804	51,52,84,607

Note 3.01: a. The Current Portion of the above, represents the amount repayable on or before next 12 months i.e., 31st March, 2017 and the same is being disclosed under Note No. 7 as current maturity of Long Term borrowings Secured or Unsecured as the case may be.

b. "Unsecured Loans – Others" if any, represents amount refundable to National Housing Bank on account of preclosure/ prepayment of housing loans, on which the Company availed refinance.

3.02: Loans Secured by Hypothecation of receivables (both Current and Non-Current Portion) represents, loans secured against the receivables, in respect of housing and other loans granted by the Company. Loans secured by Hypothecation of vehicle Loan represents loan granted on the hypothecation of Maruthi Ciaz Car.

3.03: The break up of Public Deposits is as below: From related parties: Non-Current Rs. 10,50,000/- (P Y Rs. 17,00,000/-) and Current Rs.14,00,000/- (P Y Rs. 5,50,000). From others: Non Current Rs. 9,08,81,834/- (P Y Rs. 1,91,24,876/-), Current Rs. 4,26,75,739/- (P Y Rs. 8,48,31,765/-). Interest accrued but not due on the aforesaid deposits Rs.12,59,863/- (P Y Rs. 7,07,912/-) disclosed under Note No. 7.

3.04: Public Deposits matured for repayment Rs.1,84,904/- (P Y Rs. 5,29,985/-) not included in the above Note. The same is being disclosed under Note No. 7. Interest on such deposits Rs.18,235/- (P Y Rs.12,312/-) also disclosed under Note No. 7.

3.05: a. Public Deposits are subject to renewal at the option of the depositors. However the current/non-current portion of the same is being arrived at without considering such option.

b. The Balances held under Public Deposits (both current and non current) are subject to confirmation.

3.06: The Secured loans is repayable in monthly/quarterly instalments varying from Rs.1,10,577 to Rs.75,00,000 (P Y Rs. 34,000 to Rs.75,00,000) plus interest payable every month. The unsecured loans are repayable on maturity. Interest on unsecured loans is payable periodically i.e., on monthly/quarterly basis in the case of non-cumulative scheme and payable on maturity in the case of cumulative scheme.

The repayment Schedule of Loans is as under:

	Secured Rs.	Unsecured Rs.
repayable within next 12 months i.e., Current Portion	40,70,51,028	49,23,73,304
repayable during the year ending 31st March 2018	39,68,14,083	4,18,83,334
repayable during the year ending 31st March 2019	37,75,03,882	4,69,48,500
repayable during the year ending 31st March 2020	36,33,24,501	-
repayable during the year ending 31st March 2021	31,37,14,518	31,00,000
repayable during the year ending 31st March 2022	27,10,35,016	-
repayable during the year ending 31st March 2023	23,25,19,684	-
repayable during the year ending 31st March 2024	19,71,30,919	-
repayable during the year ending 31st March 2025	15,75,62,871	-
repayable during the year ending 31st March 2026	8,47,95,417	-
repayable during the year ending 31st March 2027	40,26,091	-
repayable during the year ending 31st March 2028	30,79,932	-
repayable during the year ending 31st March 2029	29,34,932	-
repayable during the year ending 31st March 2030	2,18,884	-

The rate of interest on secured loan varies from 7% to 12.15% (PY 7% to 12.75%) and on unsecured loans varies from 7% to 11% (PY 8.5% to 11 %)

	31.03.2016 Rs.	31.03.2015 Rs.
NOTE 4:		
LONG TERM PROVISIONS		
Provisions on Non-Performing and Standard Assets as per NHB Directives (refer note below & also note 11.05 & 11.06)	2,43,94,784	2,53,40,035
	2,43,94,784	2,53,40,035

Note: Provisions made for Non-Performing and Standard Assets, represents provisions made as per directives issued by the National Housing Bank and which pertains to the Non Current Portion of such assets. Provisions in respect of current Portion disclosed under Note. No. 8.

NOTES TO ACCOUNTS FORMING PART OF BALANCE SHEET AS ON 31ST MARCH, 2016

	31.03.2016		31.03.2015	
	Rs.	Rs.	Rs.	Rs.
NOTE 5:				
DEFERRED TAX ASSET/LIABILITY (NET)				
(refer Note No. 5.01 to 5.03 below)				
Deferred tax Asset				
On Account of				
Disallowance u/s 43B:	35,91,123		2,18,904	
Provision for Non-performing assets	1,37,74,226		1,24,56,159	
On Account of Depreciation	<u>4,43,845</u>	<u>1,45,77,194</u>	<u>5,47,164</u>	1,32,22,227
Less: Deferred tax Liability				
On Account of				
Special reserve created u/s 36(1) (viii) of Income Tax Act 1961		<u>3,21,62,424</u>		1,64,02,982
DEFERRED TAX ASSET/(LIABILITY)		<u>(1,75,85,230)</u>		<u>(31,80,755)</u>
Note: 5.01: As per accounting standard (AS-22) on Accounting for taxes on Income, the major components of deferred tax arising on timing differences are given in the above Note No. 5.				
5.02: Accordingly a sum of Rs. 41,68,756 recognized as Deferred Tax Adjustment (Expenses) in the Statement of Profit and Loss. (P Y: Expense Rs.20,02,765).				
The aforesaid amount for the immediate preceding financial year, is arrived at after considering the deferred tax adjustments on transitional depreciation, directly adjusted to retained earnings in the Balance Sheet. (refer note 9.03)				
5.03: Also refer Note 2.02 regarding transitional adjustment of deferred tax liability on special reserve created u/s 36(1)(viii) of Income Tax Act 1961.				
NOTE 6:				
SHORT TERM BORROWINGS				
SECURED:				
From Banks				
Working Capital Borrowings (refer Note 6.01 & 6.02 below)		<u>4,88,72,581</u>		5,19,32,529
		<u>4,88,72,581</u>		5,19,32,529
Note 6.01: The borrowing as above, represents Overdraft/Cash credit availed from Banks, which subject to renewal every year. However the Bank has the right to demand the repayment at any time.				
6.02: The borrowings as above, are secured by hypothecation of receivables in respect of Jewel Loans granted by the Company with a limit of Rs. 6,00,00,000 (P Y Rs.6,00,00,000). The rate of interest on such overdraft is Base rate + 1.75%. The rate of interest as on 31st March 2016, is 11.75% (P Y 12.25%). The Company has also pledged term deposits held with the Bank Rs.4,37,301 (P Y Rs. 4,26,186 /-) as security for a overdraft on deposits, with a limit of Rs. 3,00,000. The interest rate on such overdraft is 11% (P Y 10.3%) which is 2% above the pledged deposit rate. However this account is not overdrawn on the date of the Balance Sheet.				
NOTE 7:				
OTHER CURRENT LIABILITIES				
(refer Note: 7.01 to 7.04 below)				
Current maturities of long term debt – Secured (Refer Note No. 3 & 7.01)		40,73,48,359		42,74,49,909
Current maturities of long term debt – Unsecured (Refer Note No. 3 & 7.01)		4,92,37,304		8,78,34,698
Unclaimed Equity Dividends*		20,52,220		20,14,542
Unpaid Matured Deposits*		1,84,904		5,29,985
Interest on Unpaid Matured Deposits as above*		18,235		12,312
Tax on 4 th Interim Dividend on Preference Shares (paid during April 2016)		75,370		74,025
Liabilities for expenses		31,50,120		47,71,612
Interest accrued but not due on public deposits		12,59,863		7,07,912
Other Payables (See Note 7.02 below)		30,31,894		19,51,288
Net liability in gratuity fund		-		15,006
* Does not include amount due to Investor Education and Protection Fund.				
		<u>46,63,58,269</u>		<u>52,53,61,289</u>

Note 7.01: The relevant details (i.e., security offered, terms of repayment etc.) in respect of Current Maturity of Long Term Debt-Secured and Current Maturity of Long Term Debt- Unsecured, are given under note No. 3, 3.01 to 3.06.

7.02: Other Payables includes, balances lying unpaid after adjusting deposits with loans borrowed against them and unencashed interest cheques, which have become stale. However there are no cases which are outstanding for a period exceeding seven years. It also includes amounts payable to others in the ordinary course of business and other petty advances, which are not material in nature.

7.03: There are no dues to Micro, Small & Medium Enterprises at any time during the year, in the absence of notified registered dealer with the Company as per the provisions of the Micro, Small and Medium Enterprises Development Act, 2006. Hence the further disclosure requirement as required under Micro, Small & Medium Enterprises Development Act, 2006 and Schedule III to Companies Act, 2013 does not arise.

7.04: The balances held under "Unpaid Matured Deposits", "Interest payable on such deposits" and "Other payables" are subject to confirmation.

	31.03.2016	31.03.2015
NOTE 8:		
SHORT TERM PROVISIONS		
Provisions on Non Performing and other Assets as per NHB Directives (refer note below and also Note 11.05 & 11.06)	1,72,65,760	1,30,51,578
Proposed Equity Dividend (refer Note 2.01)	34,02,060	34,02,060
Tax on Distribution of Proposed Equity Dividend	6,92,579	6,92,579
Provision for Current Income Tax (Net of Advance Tax and Deduct at Source)	2,54,625	-
	2,16,15,024	1,71,46,217

Note 8.01: Provisions made for Non-Performing and other Assets, represents provisions made as per directives issued by the National Housing Bank and which pertains to the Current Portion of such assets.

NOTES TO ACCOUNTS FORMING PART OF BALANCE SHEET AS ON 31ST MARCH, 2016
NOTE 9:
FIXED ASSETS

Assets	Gross Block				Depreciation				Net Block	
	At Cost as on 31.03.2015	Additions	Sales	Total Cost as on 31.03.2016	Up to 31.03.2015	Depreciation	Sales	Up to 31.03.2016	As on 31.03.2016	As on 31.03.2015
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Land (refer note below)	95,15,615	-	-	95,15,615	-	-	-	-	95,15,615	95,15,615
Buildings	74,10,372	-	-	74,10,372	24,76,982	2,40,835	-	27,17,827	46,92,545	49,33,380
Buildings Leasehold	1,26,38,840	-	-	1,26,38,840	14,28,193	8,87,570	-	23,15,763	1,03,23,077	1,12,10,847
Office Furniture & Fittings	23,43,365	4,64,303	4,212	28,03,456	21,82,284	1,19,024	4,212	22,97,096	5,06,360	1,61,081
Office Equipments	19,48,063	75,888	64,089	19,59,862	15,74,049	1,91,077	55,960	17,09,166	2,50,696	3,74,014
Electrical Fittings	5,12,970	-	-	5,12,970	2,31,811	75,356	-	3,07,167	2,05,803	2,81,159
Air-Conditioners	3,07,085	-	-	3,07,085	2,10,801	25,271	-	2,36,072	71,013	96,284
Vehicles	58,46,662	17,05,004	8,52,118	66,99,548	43,36,364	8,50,799	8,09,513	43,77,650	23,21,898	15,10,298
Computer	41,15,929	-	25,848	40,90,081	41,12,554	3,286	25,848	40,89,992	89	3,375
Total	4,46,38,901	22,45,195	9,46,267	4,59,37,829	1,65,53,048	23,93,218	8,95,533	1,80,50,733	2,78,87,096	2,80,85,853
Previous Year	4,27,77,612	34,96,267	16,34,978	4,46,38,901	1,43,49,039	37,83,234	15,79,225	1,65,53,048	2,80,85,853	2,84,28,573

Note:

Refer Note 25.03 for note on impairment of assets.

During the immediate preceding financial year, pursuant to the notification of Schedule II to the Companies Act 2013, with effect from 1st April 2014, the Company had revised the estimated useful life of some of its assets to align the useful life with those specified in Schedule II. Pursuant to the transition provision prescribed in Schedule II to the Companies Act 2013, the Company had fully depreciated the carrying value of assets (net of residual value), where the remaining useful life of the asset was determined to be Nil as on 1st April, 2014 and accordingly has adjusted an amount of Rs.2,01,440 (net of deferred tax adjustments) against the opening surplus balance in the Statement of Profit and Loss under Reserves and Surplus. The depreciation expense in the Statement of Profit and Loss for that year was higher by Rs.12,72,661 consequent to the change in the useful life of the assets.

NOTES TO ACCOUNTS FORMING PART OF BALANCE SHEET AS ON 31ST MARCH, 2016

	31.03.2016		31.03.2015	
	Rs.	Rs.	Rs.	Rs.
NOTE 10:				
NON-CURRENT INVESTMENTS				
(refer Note 10.01 to 10.03 below)				
Other than Trade:				
Quoted Investments (Valued at Cost)				
I. Investment in Equity Instruments				
8040 (P Y 804) Shares of Rs.1 (P.Y Rs. 10) each in State Bank of India	20,77,302		20,77,302	
2100 (P Y 2100) Shares of Rs.2 each in HDFC Bank Ltd.	15,24,340		15,24,340	
100 (P Y 100) Shares of Rs.1 each in TCS Ltd.	2,48,889		2,48,889	
1030 (P Y 1030) Shares of Rs.2 each of HCL Technologies Ltd.	7,39,308		7,39,308	
1325 (P Y 1325) Shares of Rs.2 each of Bharat Heavy Electricals Ltd.	4,89,103		4,89,103	
2100 (P Y 2100) Shares of Rs.5 each of Bharti Airtel Ltd.	8,64,535		8,64,535	
NIL (P Y 846) Shares of Rs.10 each of Reliance Industries Ltd.	–		7,90,778	
1090 (P Y 1090) Shares of Rs.2 each of DLF Ltd.	6,13,366		6,13,366	
450 (P Y 450) Shares of Rs.10 each of SAIL Ltd.	52,866		52,866	
2800 (P Y 2800) Shares of Rs.1 each of ITC Ltd.	9,79,040		9,79,040	
		75,88,749		83,79,527
II. Investment in Government/Trustee Securities				
8.30% Government of India Bonds (Face Value Rs. 1,10,00,000) (Held as SLR Securities under National Housing Bank Directives)	1,03,67,500		1,03,67,500	
8.07% Government Stock 2017 (Face Value Rs. 3,00,000)	3,22,050		3,22,050	
	1,06,89,550		1,06,89,550	
		1,06,89,550		1,06,89,550
		1,82,78,299		1,90,69,077
Note 10.01: Aggregate Amount of Quoted Investments (non-current)		75,88,749		83,79,527
Aggregate Market Value of Quoted Investments (non-current)		68,52,841		85,11,726
10.02: Aggregate amount of Unquoted Investments (non-current)		1,06,89,550		1,06,89,550
10.03: The Company is of the opinion that the diminution in the value of quoted investments is temporary in nature. Accordingly the question of making the disclosure as required under sub-paragraph 2 of 29 of Housing Finance Company (NHB) 2010 Directions, in respect of Investments does not arise.				

	31.03.2016		31.03.2015	
	Non Current	Current	Non Current	Current
	Rs.	Rs.	Rs.	Rs.
NOTE 11:				
LONG TERM LOANS & ADVANCES				
(considered good) (considered doubtful duly provided for in Note 4 & 8 subject to Note 11.04 & 11.05)				
A. Lease Security Deposits (unsecured) (refer Note 11.09)	4,45,12,939	–	4,45,12,939	–
A	4,45,12,939	–	4,45,12,939	–
B. Loans granted (refer Note 11.01 to 11.08) (Provisions for Non-Performing & Other Assets duly made as per NHB directives and shown separately under Note No. 4 and 8)				
I. Secured Loans				
a. Housing Loans	253,65,54,073	26,99,51,398	250,31,23,850	27,73,05,582
b. Other Secured Loans	48,57,24,787	5,76,84,830	13,06,30,841	19,59,33,994
I Secured Loans	302,22,78,860	32,76,36,228	263,37,54,691	47,32,39,576
II. Unsecured Loans	–	5,51,00,000	–	5,91,00,000
II Unsecured Loans	–	5,51,00,000	–	5,91,00,000
B (I + II) Total Loans	302,22,78,860	38,27,36,228	263,37,54,691	53,23,39,576
C. Other (unsecured)				
a. Disputed Income Tax Paid	7,00,000	–	7,00,000	–
b. Other Advances (refer Note 11.07)	52,94,047	2,59,952	56,08,541	3,47,562
C	59,94,047	2,59,952	63,08,541	3,47,562
TOTAL (A+B+C)	307,27,85,846	38,29,96,180	268,45,76,171	53,26,87,138

**NOTES TO ACCOUNTS FORMING PART OF BALANCE SHEET AS ON 31ST MARCH, 2016**

- Note 11.01:** The Current Portion of the above, represents the amount recoverable on or before next 12 months i.e., 31st March, 2017 and the same is being disclosed under Note. No. 15.
- 11.02:** The Housing Loan as per Note 11 (B)(l)(a) above includes Suit Filed Loans Rs. 84,156 (P Y Rs.84,156) and same has been included in the current portion of the asset.
- 11.03:** Housing Loans Granted (Secured) as per Note No. 11 (B)(l)(a) above represents Housing Loans Granted by the Company secured on equitable Mortgage of immovable Properties and/or undertaking to create a security and/or, assignment of Life Insurance Policies and/or Personal guarantee of Individuals etc. Other Secured Loans as per Note No. 11 (B)(l)(b) represents Loans Granted by the Company secured on Equitable mortgage of properties and/or against pledge of jewels and/or personal guarantee of individuals. Loans Granted (unsecured) as per Note No.11 (B)(l) above represents Inter Corporate Loan granted by the Company.
- 11.04:** Loans considered good [as per Note No. 11 (B) above i.e., both secured and unsecured] includes Non-Performing Assets against which adequate provisions have been made as per the Directives issued by the National Housing Bank from time to time. The provision so made also includes provisions made for Standard Assets.
- 11.05:** As per the directives issued by the National Housing Bank, the Company is required to disclose the provision amount for Non-Performing and Standard Assets separately, without netting off the same against the corresponding assets.. Therefore the Company has disclosed the same under Note No. 4 and 8, under the Head "Long Term Provisions" and "Short Term Provisions" respectively.
- 11.06:** The details of Asset Classification as per directives issued by National Housing Bank [i.e., of Loans Granted (both current and non-current)], with provisions thereof given below: (Previous year's amounts given within brackets) (as per sub-paragraph 2 of Paragraph 29 of Housing Finance Companies (NHB) Directions 2010).

A. Housing Loans (Secured & and includes both current and Non-current Portion)

Asset Classification	Outstanding as on 31st March, 2016 (in Rs.)	%	Provision as on 31st March, 2016 (in Rs.)
Standard (Considered Good)	276,20,09,157 (273,66,66,457)	98.41 (98.43)	1,20,48,037 (1,09,46,665)
Sub-standard Assets	1,39,62,072 (82,62,566)	0.50 (0.30)	20,94,311 (12,39,385)
Doubtful Assets	3,05,34,243 (3,55,00,409)	1.09 (1.28)	2,30,71,510 (2,13,24,908)
Loss Assets	- (-)	- (-)	- (-)
Total	280,65,05,474 (278,04,29,432)	100.00 (100.00)	3,72,13,858 (3,35,10,958)

Provision on Standard Assets under this category, includes voluntary provision of Rs. 10,00,000, made on prudence basis (P Y Rs. Nil)

B. Non-Housing Loans (Both Secured & Unsecured and includes both current and Non-current Portion) (amount in Rs.)

Asset Classification	Outstanding as on 31st March, 2016 (in Rs.)	%	Provision as on 31st March, 2016 (in Rs.)
Standard (Considered Good)	59,77,86,834 (38,34,08,739)	99.88 (99.42)	42,70,412 (45,42,241)
Substandard Assets	7,22,783 (22,56,096)	0.12 (0.58)	1,76,274 (3,38,414)
Total	59,85,09,617 (38,56,64,835)	100.00 (100.00)	44,46,686 (48,80,655)

Under this category, no voluntary provision on prudential basis was made by the company during the year Rs.Nil. (P Y Rs.25,00,000/-) No Provision is required to be made in respect of assets, other than above (i.e., other than Assets given in A & B of Note 11.06). Accordingly the disclosure as required under Sub-paragraph 2 of paragraph 29 of Housing Finance Companies (NHB) Directions 2010 is not applicable in respect of such other assets.

- 11.07:** Other Advances includes vehicle loan advance to staff, travelling advance etc. The balances held under Loans Granted and Other Advances (as per B & C in Note 11, both Non-current and current) are subject to confirmation.

NOTES TO ACCOUNTS FORMING PART OF BALANCE SHEET AS ON 31ST MARCH, 2016

11.08: Percentage of outstanding Loans Granted against the pledge of gold jewellery (included in other secured loans), to the outstanding total assets is as below:

	31.03.2016		31.03.2015	
	Amounts outstanding in Rs.	% to Total Assets	Amounts outstanding in Rs.	% to Total Assets
Loans outstanding against the pledge of jewellery	22,94,76,170	6.47	23,95,41,235	7.20
Total Assets outstanding (excluding Deferred Tax Asset) if any	354,92,62,853		332,80,63,604	

This disclosure is being made in accordance with sub-paragraph 5 of Paragraph 29 of Housing Finance Companies (NHB) Directions 2010.

11.09: The Break up in Lease Security Deposit is as below: to Related Parties Rs.75,00,000 (P Y Rs.75,00,000) and to Others Rs. 3,70,12,939 (P Y Rs. 3,70,12,939).

	31.03.2016		31.03.2015	
	Rs.	Rs.	Rs.	Rs.
NOTE 12:				
OTHER NON-CURRENT ASSETS				
BANK BALANCES:				
Fixed Deposits with Scheduled Banks (Held as SLR assets)		40,00,000		30,00,000
Term Deposit with Banks (Maturing beyond 31 st March, 2016)				
Pledged to Banks for security for Overdraft	4,37,302		4,26,186	
Pledged to Sales Tax	10,000		10,000	
Kept for Bank Lockers	5,81,110	10,28,412	5,76,783	10,12,969
Net Asset in Gratuity Fund (maintained by LIC of India)		93,397		-
		<u>51,21,809</u>		<u>40,12,969</u>

NOTE 13:
INVENTORIES

Stock of Stationery (valued at cost)		1,00,925		99,862
		<u>1,00,925</u>		<u>99,862</u>

NOTE 14:
CASH AND CASH EQUIVALENTS

(refer Note 14.01 and 14.02 below)

A) Cash in hand		26,54,583		22,96,127
B) Balance with banks in Current Accounts		1,78,21,196		4,17,08,833
CASH & CASH EQUIVALENTS		<u>2,04,75,779</u>		<u>4,40,04,960</u>

Note 14.01: Cash and Cash equivalents does not include Term Deposits kept with a maturity period of beyond 3 months, earmarked balances with banks and bank deposits held as margin money or security against borrowings etc. The same are being disclosed in Note No. 12 or 16 as the case may be, as detailed in Note No. 14.02 below.

14.02: The details of total cash and bank balances is as below (including earmarked bank balances, bank deposits held as security etc.).

	Rs.	Rs.
Cash and Cash equivalents (as per Note 14 above)	2,04,75,779	4,40,04,960
Bank balances (Non-current) (as per Note No.12 above)	50,28,412	40,12,969
Bank balances (Current) (as per Note No. 16 below)	20,58,719	20,16,298
	<u>2,75,60,910</u>	<u>5,00,34,227</u>

NOTES TO ACCOUNTS FORMING PART OF BALANCE SHEET AS ON 31ST MARCH, 2016

	31.03.2016		31.03.2015	
	Rs.	Rs.	Rs.	Rs.
NOTE 15:				
SHORT TERM LOANS AND ADVANCES				
(Considered Good) (refer note below)				
Loans Granted:				
(Provisions for Non-Performing & Other Assets duly made as per NHB directives and shown separately under Note No. 4 and 8)				
Secured Housing and other Loans (as per Note No. 11)		32,76,36,228	47,32,39,576	
Unsecured Loans (as per Note No. 11)	5,51,00,000	38,27,36,228	5,91,00,000	53,23,39,576
Other Advances (unsecured) (as per Note No. 11)		2,59,952		3,47,562
Income Tax paid (Advance Tax, TDS etc.) (net of provisions)		-		19,78,202
Prepaid expenses		1,19,23,073		92,24,116
		<u>39,49,19,253</u>		<u>54,38,89,456</u>

Note 15.01: The Secured Housing and other Loans Granted as above, represents Current Portion of Long Term Loans. (as detailed in Note No. 11) Refer Note No. 11, 11.01 to 11.09 for other Information on Loans Granted.

NOTE 16:				
OTHER CURRENT ASSETS				
(Unsecured and considered good)				
Interest accrued on Investments		2,30,230		2,30,230
Income Receivable from Banks & Others		74,06,897		20,78,728
BANK BALANCES:				
In Current Account earmarked for unclaimed dividends		20,56,719		20,16,298
		<u>96,93,846</u>		<u>43,25,256</u>

NOTES TO ACCOUNTS FORMING PART OF STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

	2015-16		2014-15	
	Rs.	Rs.	Rs.	Rs.
NOTE 17:				
REVENUE FROM OPERATIONS				
Income from Housing Finance				
Interest on Loans	33,30,44,952		36,22,19,856	
Processing and Administration Charges	1,34,19,374		1,34,70,831	
Other Charges	22,08,917	34,86,73,243	6,07,876	37,62,98,563
Interest on Other Loans		7,26,66,210		6,90,09,795
Miscellaneous Income		93,752		1,89,646
NET REVENUE FROM OPERATIONS		<u>42,14,33,205</u>		<u>44,54,98,004</u>

NOTE 18:				
OTHER INCOME				
Interest on Investments (Long Term – Non-Trade)	9,37,210		9,37,210	
Other Interest (On Bank Deposits & Income Tax Refund)	3,98,965	13,36,175	1,80,249	11,17,459
Dividends:				
On Investment Non-Trade (Long Term – Non-Current)		3,16,743		5,10,081
Gain on Gratuity Fund maintained by LIC of India		93,397		-
Reversal of Gratuity Provisions		15,006		-
		<u>17,61,321</u>		<u>16,27,540</u>

NOTE 19:				
EMPLOYEES' BENEFIT EXPENSES:				
(refer note below)				
Salary		1,44,93,309		1,66,82,156
Bonus		6,62,642		2,76,117
Staff Welfare Expenses		21,374		30,469
Contribution to Provident and other Funds		7,65,392		10,46,177
Contribution to Gratuity Premium		3,23,333		62,500
Contribution to ESI		3,58,801		4,57,661
		<u>1,66,24,851</u>		<u>1,85,55,080</u>

Note: 19.01: Disclosure as required under Accounting Standard 15 i.e., Employee benefits, given under Note No. 25.06.

NOTES TO ACCOUNTS FORMING PART OF STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

NOTE 20:

FINANCE COSTS

Interest on Term Loan	28,10,21,245		30,67,53,134	
Interest on Public Deposits	1,15,44,263		95,97,348	
Interest on Others - Working Capital Borrowings etc.	15,35,851	29,41,01,359	21,18,664	31,84,69,146
Bank Charges, Commission & Processing Fees		<u>39,24,394</u>		<u>16,84,154</u>
		<u>29,80,25,753</u>		<u>32,01,53,300</u>

NOTE 21:

DEPRECIATION AND AMORTIZATION EXPENSE

Depreciation on Tangible Assets (Refer Note No. 9 and 9.03)	<u>23,93,218</u>	<u>34,85,047</u>
	<u>23,93,218</u>	<u>34,85,047</u>

NOTE 22:

OTHER EXPENSES

Rent (refer note below)	28,77,839		39,49,681
Travelling and Conveyance Expenses	14,28,559		10,85,117
Vehicle Maintenance	7,65,613		8,67,348
Advertisement and Sales Promotion Expenses	70,902		2,12,114
Registration & Licence Fee	2,49,475		2,70,492
Printing & Stationery	2,62,693		2,38,450
Postage & Couriers	3,80,327		5,32,805
Directors Sitting Fee	12,000		5,000
Telephone Charges	5,79,529		7,82,339
Audit Fee			
Statutory Audit	2,35,000	2,00,000	
Tax Audit	30,000	27,500	
Certification	15,000	12,000	
Service Tax	41,550	32,882	2,72,382
Miscellaneous Expenses	<u>43,92,942</u>		81,11,305
Donations	6,000		6,000
Insurance Premium	2,46,065		3,34,672
Electricity & Water Charges	3,32,912		4,10,161
Commission & Brokerage	57,85,897		61,88,001
Legal & Professional Charges	34,13,144		41,78,131
Bad Debts	—		23,96,801
	<u>2,11,25,447</u>		<u>2,98,40,799</u>

Note: 22.01: Rent as above represents rent paid in respect of premises taken on cancellable operating lease.

	2015-16		2014-15	
	Rs.	Rs.	Rs.	Rs.
NOTE 23:				
EXCEPTIONAL ITEMS				
I. EXCEPTIONAL EXPENSES:				
Provisions for Non-Performing & other Assets (refer Note 23.01 & 02)		32,68,931		48,34,018
Loss on Sale of Fixed Assets		—		3,983
		<u>32,68,931</u>		<u>48,38,001</u>
II. EXCEPTIONAL INCOME				
Profit on sale of Long Term Investments viz: Shares (Non-Trade)		31,936		14,68,593
Profit on sale of Fixed Assets		2,17,717		3,41,211
		<u>2,49,653</u>		<u>18,09,804</u>
EXCEPTIONAL ITEMS – EXPENSES (NET) I - II		<u>30,19,278</u>		<u>30,28,197</u>

**NOTES TO ACCOUNTS FORMING PART OF STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016**

Note 23.01: Provision for Non-Performing and other assets, is being disclosed as Exceptional Item, for the reason that the provision amount varies from year to year basis, depending upon the directives issued by the National Housing Bank from time to time..

23.02: The details of provisions made during the year for Non-Performing and other assets are as under:

	Current Year Rs.	Previous Year Rs.
a. On Housing Finance Business:		
Provisions as required under NHB Directions on Housing Finance business	27,02,900	41,37,127
Provisions made voluntarily by the Company on prudence	10,00,000	-
	37,02,900	41,37,127
b. On Business other than Housing Finance:		
Provision no longer required	(4,33,969)	(18,03,109)
Provisions made voluntarily by the Company on prudence	-	25,00,000
	(4,33,969)	6,96,891
Total Provisions made during the year (net) (a + b)	32,68,931	48,34,018

NOTE 24:**EARNING PER EQUITY SHARE**

(refer note below)

a) Net profit after tax, as per Statement of Profit & Loss	5,43,88,514	4,81,64,869
b) Preference Dividend	14,80,920	16,73,608
c) Tax on Distribution of Preference Dividend	3,01,480	3,08,219
d) Net profit available for equity shareholder used as numerator (a-b-c)	5,26,06,114	4,61,83,042
e) Weighted Average No. of equity shares used as Denominator	85,05,150	85,05,150
f) Basic/Diluted earning per equity share of Rs.10 each fully paid	6.19	5.43

Note: 24.01: There are no extraordinary items and therefore the question of calculating earning per share after adjusting such items does not arise.

NOTES TO THE BALANCE SHEET AND STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31.03.2016**NOTE NO: 25****OTHER DISCLOSURES TO ACCOUNTS:****25.01 Corporate Information:**

The Registered office of the Company is at Manipal (State: Karnataka). The Company is registered as a Housing Finance Company with National Housing Bank. Accordingly, the main business of the Company is to extend Housing Loans for the construction or purchase of residential houses. In addition the Company also extends loans on the security of other properties, jewels etc., for the purposes other than housing. The Company also accepts deposits from public..

25.02 Accounting Policies:**Basis of Accounting and Revenue recognition:**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on accrual basis under the historical cost convention. All significant items of income and expenditure are accounted on accrual system of accounting. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year. The Company follows the National Housing Bank (NHB) guidelines on Income recognition for accounting Income as per circulars issued by NHB from time to time. Income by way of 'Interest' is recognised on the time proportionate method. Income by way of 'Dividend' is recognised, when the unconditional right to receive the income is established. However income by way of Processing/Administrative fees, Interest on Income Tax Refund and Miscellaneous income are accounted on receipt basis, since the income of such nature are considered to be accrued and due on the date of receipt. Brokerage/Commission on deposits and service charges on bank loans are written off over the tenure of deposit and bank loans respectively.

Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets & liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. The difference between the actual results and estimates are being recognised in the period in which the results are known/ materialized.

Fixed Assets & Depreciation:

Fixed assets are stated at original cost less depreciation. Cost comprises purchase price, the borrowing cost till the date of installation of qualifying fixed asset and any attributable cost of bringing the assets to its working condition for its intended use.

The depreciation has been provided by considering the useful life of the asset and the residual value in accordance with the Schedule II to the Companies Act 2013. Accordingly the depreciable value (viz., Cost of the Asset minus residual value) of all assets (other than leasehold building) are being depreciated under written-down value method prorata, over the useful life/remaining useful life as the case may be. The depreciation on leasehold buildings provided on straight line basis prorata, in such a manner that the asset is fully written-off over the period/remaining period of the lease or over the useful life/remaining useful life, where such useful life/remaining useful life is less than the period of the lease/remaining period of the lease, as the case may be.

Investments:

Long Term Investments are stated at cost. The Company has the policy of making provisions for diminution in the value of such investments to recognize decline, other than temporary. Current investments if any are valued at cost or net realizable value whichever is lower.

Inventory:

Stock of stationery is valued at cost. Cost is taken at the value at which the same were purchased.

Tax on Income:

The Company has charged off the Current Income Tax to the Statement of Profit and Loss. Deferred Tax Assets/Liabilities are recognised/provided in accordance with the Accounting Standard 22. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date, on the timing differences being the difference between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period. Deferred tax Asset is recognised, subject to the considerations of prudence. Deferred tax asset so recognised, is being net off to deferred tax liability or vice versa. Advance Income Tax Paid (including Tax deducted at source, tax paid on self-assessment or otherwise) and provision for current Income Tax are presented in the Balance Sheet after setting off the same against each other.

Employee Benefits:

The Company's "Retirement Benefit Plan" & "Other Benefit Plans" comprises of Contribution to Provident Fund, Employee State Insurance and Gratuity. Contributions to Provident Fund and Employee State Insurance are being made at predetermined rates and are charged to the Statement of Profit & Loss. The company's liability towards gratuity to employees is covered by group gratuity policy with LIC of India.

There are no other retirement benefits/other benefits being provided by the Company.

Borrowing Costs:

Borrowing costs are recognised as an expense in the year in which they are incurred except which are directly attributable to acquisition/construction of qualifying fixed assets, till the time such assets are ready for use, in which case the borrowing costs are capitalized as part of the cost of the asset.

Provisions & Contingent Liabilities/Assets:

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be outflow of resources. Provisions not made in the account (which otherwise should have been made) are disclosed by way of appropriate note. Contingent liabilities (if any) are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

Impairment of Assets:

The Company has framed the policy of impairing the asset, when carrying value of the assets exceeds its recoverable amount, under the circumstances when the Company is having the sources of information (whether internal or external) that an impairment loss may have occurred. Accordingly, impairment losses will be charged to statement of profit and loss in the year in which an asset is identified as impaired. The impairment losses recognised in prior accounting periods is reversed if there has been a change in the estimate of the recoverable amount.

Accounting for Leases:

Rent on premises taken on operating lease charged to statement of profit & loss as Rent Paid.

**Earnings per Share:**

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share if any is computed using the weighted average number of equity shares and dilutive potential equity share outstanding during the period except when the results would be anti-dilutive.

Operating Cycle:

Based on the nature of activities of the Company, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information. Cash comprises 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 insignificant risk of changes in value.

25.03 The management is of the opinion that the carrying cost of the assets does not exceed its recoverable amount. Further the Company does not have any information whether internal or external, that indicates that "impairment loss may have occurred". Accordingly the question of impairment of assets does not arise.

25.04 Disclosure in respect of related parties with whom transactions have taken place during the period

A Key management personnel and their relatives

Sri T. Sunil Pai – Executive Director
Sri Gopalakrishna Bhat – Chief Financial Officer
Smt. Vijayalaxmi N. Pai – Director
Sri T. Sanjay Pai, Sri T. Narayan M. Pai,
Smt. Sangeetha Pai, Smt. Praneetha Pai

B. Related Corporate Bodies and associated Companies.

Manipl Finance Corporation Ltd., Manipl

Details of transactions are as follows. The names of parties with amount involved therein are disclosed separately under first Column, if the amount involved therein is material.

Particulars	Amount in Rs.	
	2015-16	2014-15
A. Advances, Deposits and loans from related parties		
Key Management Personnel and relatives	7,50,000	20,00,000
B. Interest & other expenses to related parties		
Key Management Personnel and relatives	4,36,291	3,20,081
C. Advances, Deposits and loans to related parties		
Related Corporate Bodies/Associate Companies	75,00,000	75,00,000
D. Remuneration & other charges:		
Key Management Personnel and relatives		
Remuneration (Including PF & Perquisites):		
Sri T. Sunil Pai Rs. 4,14,200 (P Y Rs. 4,14,200)	6,67,200	6,67,600
Sri Gopalakrishna Bhat Rs.2,63,000 (PY Rs. 2,53,400)		
Professional Charges:		
Sri T. Sanjay Pai Rs.1,80,000 (P Y Rs. 1,80,000)	1,80,000	1,80,000
F. Redemption of 7% Cumulative redeemable preference shares		
Current Year: Rs. Nil		
Previous year is as below:		Nil
	No.	Rs.
Sri T. Sanjay Pai	1,92,000	19,20,000
Smt. Sangeetha Pai	2,08,000	20,80,000

No amount pertaining to the related parties has been provided for as doubtful debts/advances or written off/ written back during the year.

25.05 Information as required under subparagraph 5 of paragraph 25 of HOUSING FINANCE COMPANIES (NHB) DIRECTIONS, 2001 issued by the National Housing Bank

A. The details of the levy of penalty, if any, imposed on the housing finance company by the National Housing Bank : Rs. NIL (P Y: Rs. Nil)

B. Adverse comments, if any, on the housing finance company made in writing by the National Housing Bank on regulatory compliances, with a specific communication to the housing finance company to disclose the same to the public: No such comments made (P.Y.: No such comments made)

As per Para 4 of the "Guidelines for Asset Liability Management System in Housing Finance Companies" issued by the National Housing Bank vide letter No. NHB(ND)/HFC(DRS-REG)/ALM/35/2010 dated 11th October 2010, every Housing Company shall make certain disclosures in its Balance Sheet. Accordingly the Company has compiled the details as aforesaid and annexed the same to this financial statement.

25.06 The Income Tax Assessments of the Company completed for the Assessment Year 2012-2013 & 2013-14. As a result the Assessed tax liability exceeds the provision by Rs. 91,61,260/- (P.Y.A.Y. 2012-2013 Rs.43,21,680) as on 31st March, 2016. Based on the decisions of the Appellate authorities in the identical cases and the interpretations of the relevant provisions, the Company is of the opinion that the additional demand raised is likely to be deleted in appeals made before Commissioner of Income Tax-Appeals and accordingly no provision is considered necessary.

There are no other contingent liabilities as on 31st March, 2016.

25.07 In the opinion of the Board of Directors, the assets listed under the head Non-Current Assets & Current Assets (other than Fixed Assets and Non-Current Investments) in the Balance Sheet (viz: assets covered under Note No.11 to 16), have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated.



- 25.08** The Company is operating under one reportable business segment i.e., Finance Activity and one Geographical segment. Therefore the Accounting Standard relating to Segment Reporting is not applicable.
- 25.09** The Company has created during the earlier year, the floating charge on the statutory liquid assets maintained (including such securities to be purchased by the Company in future) in terms of sub-section 1 & 2 of Section 29B of the National Housing Bank 1987. Such charge is being created by executing the trust deed. M/s Canara Bank has been appointed as the sole trustee of the trust. Value of such assets held as on the date of Balance Sheet is Rs.1,50,00,000 (P Y Rs.1,40,00,000). The charge as aforesaid has been created in compliance of N H B Directives.

25.10 Employee Benefits:

Brief description of the Plans:

- a) The Company has two schemes for long-term benefits such as provident fund and gratuity. In case of funded schemes, the funds are recognised by the Income tax authorities and administered through trustees / appropriate authorities. The Company's defined contribution plan is employees' provident fund (under the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952) wherein the Company has no further obligation beyond making the contributions.
The Company is also contributing towards Employee State Insurance Plan, as per statutory requirements, wherein the Company has no further obligation beyond making the contributions.
The Company's defined benefit plan is gratuity.
- b) Charge to the Profit and Loss Account based on contributions:
The Company's contribution to Provident Fund and other related funds charged to Profit and Loss Account during the year is Rs. 7,65,392/- (P Y: Rs. 10,46,177)
The Company's Contribution to Employee State Insurance Plan charged to Profit and Loss Account during the year is Rs. 3,58,801/- (P Y Rs. 4,57,661)
The Company's contribution to LIC under Group Gratuity Policy, charged to Profit & Loss Account is Rs. 3,23,333/- (P Y Rs. 62,500)
- c) Disclosures for defined gratuity benefit plans based on actuarial reports obtained from Life Insurance Corporation of India as on 31st March 2016:

	Amount in Rs.	
	Current Year	Previous Year
Changes in Present Value		
Opening value of obligations	21,80,396	19,28,015
Current service cost	1,47,303	1,59,777
Interest cost	1,74,432	1,54,241
Actuarial loss / (gain)	33,524	7608
Benefits paid	(1,97,827)	(69,245)
Closing value of obligations	23,37,828	21,80,396
Change in Fair Value of Assets		
Opening fair value of plan assets	21,65,391	19,80,983
Expected return on plan assets	1,87,559	1,78,635
Contributions by employer	2,76,102	75,018
Benefits paid	(1,97,827)	(69,245)
Closing fair value of plan assets	24,31,225	21,65,391
Funded Status	93,397	(15,005)
Amount recognised in the Balance Sheet		
Present value of obligations as at year end	21,65,391	21,80,396
Fair value of plan assets as at year end	24,31,225	21,65,391
Amount not recognised as an asset	-	-
Funded Status	93,397	(15,005)
Net (asset) / liability recognised as on 31 st March, 2016	(93,397)	15,005
Expenses recognised in the Profit and Loss Account		
Current service cost	1,47,303	1,59,777
Interest on defined benefit obligation	1,74,432	1,54,241
Expected return on plan assets	(1,87,559)	(1,78,635)
Net actuarial loss / (gain) recognised in the current year	33,524	7608
Effect of the limit in Para 59(b) of AS 15	*	*
Total expense	1,67,700	1,42,991
Asset Information (as per para 120 (h) of AS 15)	*	*
Principal actuarial assumptions used		
Discount rate (p.a.)	8%	8%
Expected rate of return on plan assets (p.a.)	*	*
Salary Escalation	3.50%	3.50%
Withdrawal Rate :	*	*
Rate of increase in compensation levels	*	*
Expected average remaining working lives of employees in number of years	*	*
Experience adjustments (as per Para 120 (n) of AS 15)	*	*
Expected employer's contribution for the next year	*	*



The Company has written to Life Insurance Corporation of India to furnish information of the Defined Gratuity Benefit Plan, in the manner required under Accounting Standard 15. Accordingly the Life Insurance Corporation of India has given the information as given above, which has been relied by the Auditors.

(*) The Life Insurance Corporation of India has not given these information.

Data for defined gratuity benefit obligation and fair value of planned assets are as under:

Amount in Rs.

Particulars	2015-16	2014-15	2013-14	2012-13	2011-12
Closing value of obligation	23,37,828	21,80,396	19,28,015	19,63,788	17,57,704
Closing fair value of plan assets	24,31,225	21,65,391	19,80,983	20,94,407	18,92,046
Net (asset)/liability recognised	(93,397)	15,005	(52,968)	(1,30,619)	(1,34,342)

- 25.11** The details in respect of provision in respect of deferred tax liability on statutory reserve created u/s 36(1)(viii) of Income Tax Act 1961 as required by National Housing Bank vide its letter No.NHB(ND)/DRS/Policy Circular 65/2014-15 dated 22nd August 2014 is given as Note 2.02 of financial statement, which may be referred to.
- 25.12** The pending litigation with respect to income tax matters as disclosed in Note 25.06 will not have much impact on the financial position for the reason given therein and also considering the fact that the amount involved therein is not material. The Company does not have any other pending litigations which would impact its financial position.
- 25.13** The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
- 25.14** There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund, by the Company.
- 25.15** Details with regard to Corporate Social Responsibility Expenditure:
Gross amount required to be spent by the Company during the year: Rs.14,60,133/- (P Y Rs.13,79,391/-)

Amount spent during the year on:

	Particulars	In Cash Rs.	Yet to be paid in Cash Rs.	Total Rs.
(i)	Construction/acquisition of any asset (Previous Year)	Nil (Nil)	Nil (Nil)	Nil (Nil)
(ii)	On purposes other than (i) above (Previous Year)	Nil (Nil)	Nil (Nil)	Nil (Nil)

- 25.16** The Company has in all material respects an adequate internal financial controls system over financial reporting and such internal financial controls system over financial reporting were operating effectively as on 31st March, 2016.
- 25.17** The Previous year's amounts are regrouped/reclassified/rearranged wherever necessary.

As per our report of even date
For PAI NAYAK & ASSOCIATES
Chartered Accountants
Firm Registration No.: 009090S

Sd/- T. Sunil Pai
Executive Director

Sd/- Subramani R.
Sd/- B. Ganapathi Pai
Directors

Sd/- Gopalakrishna Bhat
Chief Financial Officer

Sd/- CA Ananthanarayana Pai K.
Partner
Membership No.: 024541

Place : Manipal
Date : 22nd June 2016

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

Description	As at 31.03.2016		As at 31.03.2015	
	Rs.	Rs.	Rs.	Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES :				
Net Profit before tax :	8,20,05,979		7,20,83,121	
Adjustments for :				
Depreciation	23,93,218		34,85,047	
Interest income from investments	(9,37,210)		(9,37,210)	
Interest expenses	29,41,01,359		31,84,69,146	
Dividend received	(3,16,743)		(5,10,081)	
(Profit)/Loss on sale of assets (net)	(2,17,717)		(3,37,228)	
Provision for doubtful debts	32,68,931		48,34,018	
Bad Debts written off	-		23,96,801	
(Surplus)/Deficit from sale of Investments	(31,936)		(14,68,593)	
Operating profit before working capital changes	<u>38,02,65,881</u>		<u>39,79,95,021</u>	
Adjustments for changes in working capital:				
(Increase)/Decrease in Housing & Other Loans Granted	(23,89,20,821)		(8,16,08,594)	
(Increase)/Decrease in trade and other receivables	(86,80,886)		(68,77,634)	
(Increase)/Decrease in inventories	(1,063)		(11,087)	
Increase/(Decrease) in trade and other payables	(6,49,289)		(2,08,048)	
Cash Generated from operations (before payment of interest & tax)	<u>13,20,13,822</u>		<u>30,92,89,658</u>	
Interest paid	(29,35,43,485)		(31,82,90,443)	
Direct taxes (paid)/refund	(2,12,15,882)		(2,16,33,925)	
Cash Flow before extraordinary items	<u>(18,27,45,545)</u>		<u>(3,06,34,710)</u>	
Extraordinary items	-		-	
NET CASH (USED IN)/FROM OPERATING ACTIVITIES		(18,27,45,545)		(3,06,34,710)
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase/acquisition of Fixed Assets	(22,45,195)		(34,96,267)	
Sale of Fixed Assets	2,68,451		3,92,981	
Purchase of Long Term Investments	-		(34,91,577)	
Sale of Long Term Investments	8,22,714		32,00,036	
Interest Received	9,37,210		9,37,210	
Dividend Received	3,16,743		5,10,081	
NET CASH (USED IN)/FROM INVESTING ACTIVITIES		99,923		(19,47,536)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Issue/(Redemption) of 7% Preference Shares	-		(40,00,000)	
Increase/(Decrease) in Public Deposits	2,94,55,851		2,97,78,348	
Increase/(Decrease) in Bank Borrowings	13,54,98,606		(3,18,74,841)	
Dividend Paid on Equity Shares	(33,64,382)		(32,54,936)	
Interim Dividend Paid on Preference Shares	(14,80,920)		(20,88,451)	
Dividend Distribution Tax Paid	(9,92,714)		(9,56,902)	
NET CASH (USED IN)/FROM FINANCING ACTIVITIES		15,91,16,441		(1,23,96,782)
Net Increase in Cash and Cash Equivalents		<u>(2,35,29,181)</u>		<u>(4,49,79,028)</u>
Opening Balance of Cash & Cash Equivalents		4,40,04,960		8,89,83,988
Closing Balance of Cash & Cash Equivalents		<u>2,04,75,779</u>		<u>4,40,04,960</u>

- Note:**
- 1) Cash Flow Statement is prepared under Indirect Method as prescribed under Accounting Standard 3
 - 2) Cash Balance of Cash and Cash Equivalents does not include deposit with Scheduled Banks with maturity period beyond 3 months and earmarked bank balances Rs. 70,85,131 (P Y Rs. 60,29,267). These balances are disclosed under Note No. 12 and 16 to Balance Sheet.
 - 3) The Company has not incurred any expenses towards CSR Activities during the year. The details of expenses required to be spent for CSR Activities are disclosed in Note 25.15 of financial statement.
 - 4) Previous year's amounts have been arranged, regrouped and reclassified wherever necessary.

As per our report of even date

For PAI NAYAK & ASSOCIATES

Chartered Accountants

Firm Registration No.: 009090S

Sd/- T. Sunil Pai
Executive Director

Sd/- Subramani R.
Sd/- B. Ganapathi Pai
Directors

Sd/- Gopalakrishna Bhat
Chief Financial Officer

Sd/- CA Ananthanarayana Pai K.
Partner

Membership No.: 024541

Place : Manipal
Date : 22nd June 2016

ADDITIONAL DISCLOSURE IN THE BALANCE SHEET YEAR ENDING 31ST MARCH, 2016

Disclosure as required under Para 4 of the "Guidelines for Asset Liability Management(ALM) System in Housing Finance Companies" issued by the National Housing Bank wide their Letter No. NHB(ND)/HFC(DRS-REG)/ALM/35/2010 dated October 11, 2010.

I. Capital to Risk Assets Ratio (CRAR)

Items	Current Year	Previous Year
i) CRAR (%)	21.93	20.53
ii) CRAR - Tier I capital (%)	20.26	18.86
iii) CRAR - Tier II Capital (%)	1.68	1.67

II. Exposure to Real Estate Sector

Category	Current Year Rs.	Previous Year Rs.
a) Direct exposure		
(i) Residential Mortgages – Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (Individual housing loans up to Rs.15 lakh may be shown separately)	280,65,05,472	278,04,29,432
(ii) Commercial Real Estate – Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;	31,32,10,664	8,47,67,504
(iii) Investments in Mortgage Backed Securities (MBS) and other securitized exposures –		
a. Residential	Nil	Nil
b. Commercial Real Estate	Nil	Nil
b) Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	Nil	Nil

III. Asset Liability Management

Maturity pattern of certain items of assets and liabilities

(Rs. in crore*)

	1day to 30-31 days (one month)	Over one month to 2 months	Over 2 months upto 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 to 5 years	Over 5 to 7 years	Over 7 to 10 years	Over 10 years	Total
Liabilities											
Borrowings from banks	3.34	4.03	3.55	10.38	19.92	77.43	67.70	50.36	43.95	1.03	281.69
Market Borrowings#	0.04	0.02	0.09	2.49	1.79	8.88	0.31	Nil	Nil	Nil	13.62
Assets											
Advances	5.17	2.16	2.16	6.49	22.29	55.14	38.98	42.96	69.29	95.86	340.50
Investments	Nil	Nil	Nil	Nil	0.03	Nil	Nil	Nil	Nil	1.80	1.83

*Amount disclosed Rupees in crores as per directives issued by National Housing Bank .

includes public deposits matured for repayment.



MANIPAL HOUSING FINANCE SYNDICATE LIMITED
REGISTERED OFFICE: MANIPAL HOUSE, MANIPAL – 576 104 (UDUPI)

FORM NO. MGT-11
PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s)

Registered Address

E-mail Id Folio No./Client ID DP ID

I/We, being the member(s) of shares of the above named company. Hereby appoint

Name : E-mail Id:

Address:

Signature, or failing him.....

Name : E-mail Id:

Address:

Signature, or failing him.....

Name : E-mail Id:

Address:

Signature, or failing him.....

as my/ our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 30th Annual General Meeting of the company, to be held on Tuesday, the 30th August, 2016 at 4.00 p.m. at Regd. Office: "Manipal House", Manipal – 576 104 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl. No.	Resolution(s)	Vote	
		For	Against
1.	Adoption of statement of Profit & Loss, Balance Sheet, report of Director's and Auditor's for the financial year 31 st March, 2016		
2.	To confirm the payment of interim dividend on Cumulative Redeemable Preference Shares and to declare dividend on the Equity Shares for the Financial Year ended March 31, 2016.		
3.	To appoint a Director in place of Smt. Vijayalaxmi N. Pai, who retires by rotation, and being eligible offers herself for re-appointment.		
4.	Re-appointment of M/s. Pai Nayak & Associates, Chartered Accountants as Statutory Auditors & fixing their remuneration.		
5.	Adoption of new set of Articles of Association of the Company inter-alia pursuant to the Companies Act, 2013.		
6.	Alteration of Objects Clause of the Memorandum of Association of the Company.		

* Applicable for investors holding shares in Electronic form.

Signed this _____ day of _____ 2016



Signature of Shareholder

Signature of Proxy holder

Signature of the shareholder
across Revenue Stamp

- Note:** 1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
2) The proxy need not be a member of the company.

ATTENDANCE SLIP

(To be handed over at the entrance of the meeting hall)

30th Annual General Meeting on Tuesday, the 30th August, 2016 at 4.00 p.m.

Full name of the members attending
(In block capitals)

Ledger Folio No./Client ID No. No. of shares held:

Name of Proxy

(To be filled in, if the proxy attends instead of the member)

I hereby record my presence at the 30th Annual General Meeting of the Company held on Tuesday, the 30th August, 2016 at 4.00 p.m.

(Member's/Proxy's Signature)

- Note:** 1) Members are requested to bring their copies of the Annual Report to the meeting, since further copies will not be available.
2) The Proxy, to be effective should be deposited at the Registered Office of the Company not less than FORTY EIGHT HOURS before the commencement of the meeting.
3) A Proxy need not be a member of the Company.
4) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by Proxy, shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of Members.
5) The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the meeting.

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30th
ANNUAL REPORT, 2015–16

If undelivered, please return to:

Manipal Housing Finance Syndicate Ltd.
Registered Office : Manipal House
MANIPAL – 576 104