



M. MATHEW MUTHOOTTU

KOZHENCHERRY

(Guiding light of Muthoottu)

DIRECTORS

| | |
|-----------------------|----------------------|
| DR. ROY M MATHEW | MANAGING DIRECTOR |
| DR. NIZZY MATHEW | WHOLE TIME DIRECTOR |
| MR. MATHEW MUTHOOTTU | WHOLE TIME DIRECTOR |
| MRS. PHILOMINA THOMAS | INDEPENDENT DIRECTOR |
| MR. THOMAS CHERIAN | INDEPENDENT DIRECTOR |

CHIEF FINANCIAL OFFICER

ANOOP. T. JACOB

COMPANY SECRETARY

K.S.SMITHA

STATUTORY AUDITORS

VISHNU RAJENDRAN & CO
CHARTERED ACCOUNTANTS
3RD FLOOR, CSI COMMERCIAL CENTRE
BAKER JUNCTION, PB NO: 227,
KOTTAYAM – 686001

DEBENTURE TRUSTEES (PRIVATE PLACEMENT)

1. MR. VARGHESE MATHEW
THEKKEMALA P.O PATHANAMTHITTA ,KERALA
2. MR. K.S.HARIKUMAR
KIZHAKKE PUSHPAKAM, RAVIPURAM, ERNAKULAM

DEBENTURE TRUSTEES (PUBLIC ISSUE OF NCDS)

IL&FS TRUST COMPANY LIMITED
THE IL&FS FINANCIAL CENTRE
PLOT NO. C – 22, G BLOCK, 3RD FLOOR
BANDRA KURLA COMPLEX, BANDRA
(EAST)
MUMBAI – 400051, MAHARASHTRA

BANKERS

- A. SOUTH INDIAN BANK
- B. DHANLAXMI BANK
- C. FEDERAL BANK
- D. STATE BANK OF TRAVANCORE

REGISTERED OFFICE:

2/994 MUTHOOTTU BUILDINGS
KOZHENCHERRY, PATHANAMTHIT-
TA-689645

CORPORATE OFFICE:

MM TECH TOWERS KALOOR, KOCHI
-682017

CORPORATE OFFICE:

MM TECH TOWERS KALOOR
KOCHI -682017

Our Promotor Directors and Founder Director



Seated- **Mrs. Sosamma Mathew**, Founder Director,
Standing From Left to Right **Dr. Roy M Mathew**, Managing Director,
Mr. Mathew Muthoottu, Whole Time Director
Dr. Nizzy Mathew, Whole Time Director

CORPORATE VISION



MISSION

“To maintain continuous growth by utilizing the best means to gain market share in our area of businesses and strategize our investments in specific areas that would yield to better returns to shareholders.”



CORPORATE OFFICE AT COCHIN

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NOTICE

Notice is hereby given that the Seventeenth Annual General Meeting of the Shareholders of Muthoottu Mini financiers Limited will be held on Wednesday, 30th September, 2015 at 11.00 AM at the Registered Office of the company at 2/994, Muthoottu Buildings, Kozhencherry, Pathanamthitta – 689 641

ORDINARY BUSINESS :

1. To receive, consider and adopt the financial statements of the Company for the year ended March 31, 2015, including the audited Balance Sheet as at March 31, 2015, the Statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors and Auditors thereon
2. To appoint a director in place of Mr. Mathew Muthoottu (DIN: 01786534), who retires by rotation and, being eligible, seeks re-appointment.
3. To appoint Auditors and to fix their remuneration.

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 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, Messrs Vishnu Rajendran & Co. Chartered Accountants registered with the Institute of Chartered Accountants of India vide Firm Registration No. 008072S be and is hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the nineteenth AGM of the Company to be held in the year 2017 (subject to ratification of their appointment at every AGM), at such remuneration plus service tax, and out-of-pocket and travelling expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors.

SPECIAL BUSINESS

To consider and if thought fit to pass with or without modification the following resolution as an ordinary resolution.

4. Appointment of Mr. Mammen Mathai as Director of the Company.

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) ,and the Articles of Association of the Company, consent of the members be and is hereby accorded for the appointment of Mr. Mammen Mathews [DIN 07288499] Director of the Company

RESOLVED FURTHER THAT the office of Mr. Mr. Mammen Mathews [DIN 07288499] shall be liable to determination by retirement of directors by rotation.”

Kochi
31/08/2015

By order of the Board
Sd/-
Dr. Roy M Mathew
Managing Director
DIN: 01680866

NOTES

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote on a poll, instead of himself/herself and the proxy need not be a member. A person can act as proxy on behalf of members upto and not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company. Further, a member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or member. The instrument appointing proxy must be deposited at the registered office of the company not less than 48 hours before the time of holding the meeting.
2. Explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of item No.4 is annexed hereto and forms part of this notice.
3. Members who would like to ask questions on Accounts are requested to send their questions to the Registered Office of the company at least 10 days before the Annual General Meeting to enable the company to prepare suitable replies to such questions.

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT

Explanatory Statements under Section 102 (1) of the Companies Act, 2013

ITEM NO. 4

The Board at present has three Executive and two independent non- Executive Directors.

Mr. KP Venugopal, Non executive Director resigned during the year.

Mr. Mammen Mathews is proposed to be appointed as a non-executive Director on the Board, to keep the Composition of the Board in good order. Mammen Mathews aged 68 years, holds a bachelors degree in Mechanical Engineering from University of Kerala. He has headed various positions in Robert Bosch India in technical and commercial functions for 35 years and retired as General Manager. His industrial and business experience will be an asset to the Company.

The resolution in item No. 4 is recommended for approval by members.

STATEMENT OF INTEREST

Mr. Mammen Mathews is the brother in law (sister's husband) of the Managing Director Mr. Roy M Mathew. He is also through Roy M Mathew related to Mrs Nizzy Mathew, whole time Director and wife of Roy M Mathew and Mathew Muthootu, whole time Director , son of Roy M Mathew and Nizzy Mathew. Mr. Mammen Mathews does not hold any share in the Company

Kochi
31/08/2015

By order of the Board
Sd/-
Dr. Roy M Mathew
Managing Director
DIN: 01680866

DIRECTORS REPORT

The Members,

Muthoottu Mini Financiers Limited

Your Directors have pleasure in presenting the seventeenth Annual Report on the business and operations of your Company together with the audited accounts for the Financial Year ended March 31, 2015.

FINANCIAL PERFORMANCE

(Rs. In Crs)

| PARTICULARS | 2014-15 | 2013-14 |
|---|---------|---------|
| Total Revenue | 352.71 | 353.67 |
| Total Expenditure | 322.85 | 309.56 |
| Profit before Tax | 29.86 | 44.11 |
| Add: Prior Period items (Net) | (0.10) | 3.04 |
| Tax Expense | 11.28 | 13.49 |
| Profit for the period | 18.48 | 33.66 |
| Balance brought forward from previous year | 105.41 | 78.48 |
| Total Surplus available for appropriations | 123.89 | 112.14 |
| Surplus appropriated as follows: | | |
| - Transfer to Special Reserve | 3.70 | 6.73 |
| - Transfer to Debenture Redemption Reserve | 120.19 | - |
| Surplus Carried Forward | - | 105.41 |

DIVIDEND

Keeping in view of the overall performance and the outlook for your Company, your Directors propose to conserve the resources within the company, to fund the growth of the business. In the given situation, no dividend is recommended for the current year.

RAISING OF ADDITIONAL CAPITAL

Company has not allotted any shares during the financial year 2014-15.

CAPITAL ADEQUACY

Your Company is well capitalized and has a capital adequacy ratio (Capital to risk weighted asset ratio- CRAR) of 28.78% as on March 31, 2015. This is against the minimum regulatory requirement of 15 % for non-deposit accepting NBFCs.

RESOURCE MOBILIZATION

As an NBFC, mobilization of resources, at optimal cost and its deployment in the most profitable and secured manner constitutes the two important functions of the Company. The main source of funding for the Company for the Financial Year 2014-15 has been mainly from Public issue of Secured and Unsecured Redeemable Non Convertible Debentures (NCDs). In the year under review, your Company raised Rs.518.76 Cr.(FY 2013-14- Rs.195.59 cr.) through the public issue route.

Your company also issues NCDs under the unlisted private placement route to high net worth individuals. The Company was able to raise Rs.23.85 Cr through Private Placement. Additionally your Company enjoys credit facilities from 4 banks, which is the same as last year.

Management has been making continuous efforts to broaden the resource base of the Company so as to maintain its competitive edge and the Board of Directors are confident that the Company will be able to raise adequate resources for onward lending in line with its business plans.

DEBENTURE REDEMPTION RESERVE

Sub rule 7 of Rule 18 of the Companies (Share Capital and Debenture) Rules, 2014 read with Section 71 of the Companies Act 2013 states that any company that intends to issue debentures must create a DRR to which adequate amounts shall be credited out of the profits of the company available for payment of dividend until the debentures are redeemed. The quantum of DRR to be created before the redemption liability actually arises in normal circumstances should be 'adequate' which has been prescribed to be 25% of the value of debentures issued through public issue, for an NBFC, like your Company (NBFCs which are registered with the RBI under section 45-IA of the RBI Act), till these debentures are redeemed and cancelled. Accordingly your Company is required to create a DRR of 25% of the value of debentures issued through the public issue. No DRR is required for Debentures placed privately. As further clarified by the DRR Circular, the amount to be credited to the DRR will be carved out of the profits of the Company only, i.e there is no obligation on the part of the Company to create DRR if there is inadequate profit for a particular year. As the profits generated by our company and available for distribution was inadequate to create a DRR for the full 25% value of the debentures issued through the four public issues outstanding, our Company has not created the prescribed adequate DRR. Current balance in the DRR is 16.83% of the amounts outstanding (Rs.714.35 Crores) as at March 31, 2015.

RATINGS

The Credit Analysis & Research Limited (CARE) has rated us BB+ for our debt instruments and long term bank facilities. India Ratings and Research Private Limited (IND-RA), has also rated us BB+ for our debt instruments. However taking account of the improvement in compliance levels and owing to significant changes in resource profile resulting from reduction in dependence on privately placed NCDs, we are expecting an upgrade in our ratings, which would help lower our borrowing costs, adding to the profitability.

FIXED DEPOSITS

Your Company is classified as a non deposit taking Company (NBFC-ND-SI). The Company has not accepted any fixed deposit during the year under review.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The provisions of Section 134(3) (m) of the Companies Act, 2013, and the rules made there under relating to conservation of energy, technology absorption do not apply to your Company as it is not a manufacturing company. However, your Company has been increasingly using information technology in its operations and promotes conservation of resources. During the year under review, there was no foreign earning or expenditure in the Company.

CORPORATE SOCIAL RESPONSIBILITY

The Company believes Corporate Social Responsibility (CSR) is a way of creating shared value and contributing to social and environmental good. Company's strategy is to integrate its activities in community development, social responsibility and environmental responsibility and encourage each business unit or function to include these considerations into its operations.

The Company believes in achieving its CSR objectives through sustained intervention and in the future looks forward to partnering with implementing agencies having strong credentials in the areas the Company seeks to make a difference.

The Company also believes that it is well positioned to build on the foundations put in place and the understanding gained in the current year to broaden and accelerate its CSR interventions so as to make a difference and meet its own as well as the legislated expectations.

During the year under review, the CSR Committee was formed to draw up the CSR Policy of the Company and implement the same. The Company as part of its commitment towards CSR initiatives identified some areas for its CSR activities and shall strive to achieve its CSR expenditure targets in the financial year 2015 - 16.

THE REPORT ON CSR ACTIVITIES IS ANNEXED TO THIS REPORT AND MARKED AS ANNEXURE 1- LISTING

The public issues of secured and unsecured non convertible redeemable Debentures are listed in Bombay Stock Exchange limited and listing fees till date have been paid by the Company.

DIRECTORS

The present strength of Board of Directors is six (6) Directors. The Board comprises three (3) Executive and two(2) Non-Executive and Independent Directors and one(1) Non executive Additional Director. Two Directors are women (One Executive Director and one independent)

RESIGNATION:

Mr. Gopala Subramanian Kurup, non executive Director resigned w.e.f September 1, 2014 and Mr. Thomas Cherian was appointed as additional Director on the same date

INDEPENDENT DIRECTORS:

Mr. Thomas Cherian and Philomina Thomas have been appointed as Independent Directors of the Company in the Extra Ordinary General Meeting of the Company held on 30/03/2015.

Mr. Thomas Cherian, aged 64 years, holds a bachelors degree in Science from University of Kerala. He is a Fellow Member of the Institute of Chartered Accountants of India with over 39 years of experience as a practicing Chartered Accountant. He has been appointed for a term, commencing from 30th March 2015 to 30th September 2018.

Ms. Philomina Thomas, holds a bachelor's degree in law from University of Kerala and has a master's degree in arts (English Language and Literature) from University of Kerala. .She was previously working with the Life Insurance Corporation of India, wherefrom she retired as an executive director. She has been appointed for a term, commencing from 30th March 2015 to 30th September 2017.

ADDITIONAL DIRECTOR:

K.P. Venugopal was appointed as an Additional Director on March 1, 2015 to hold office till the next Annual General Meeting scheduled to be held in the month of September 2015.

DIRECTORS RETIRING BY ROTATION:

In terms of Section 152(6) of the Companies Act 2013 and Articles of Association of the Company, Mrs. Nizzy Mathew retires by rotation at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment. Necessary resolution is being included in the Notice for the Meeting for shareholder's approval.

MEETINGS OF DIRECTORS:

During the year the Board met at regular intervals to discuss and decide on various business and policy matters of the Company. The meetings of the Board of Directors during the FY 2014 - 15 were held on 10/04/14, 29/05/14, 05/06/14, 09/07/14, 30/07/14, 27/08/14, 01/09/14, 10/09/14, 29/09/14, 10/10/2014, 22/10/14, 24/10/14, 08/11/14, 29/11/14, 02/12/2014, 29/12/14, 31/12/14, 24/01/15, 06/02/2015, 01/03/15, 31/03/15.

COMMITTEES OF THE BOARD

1. AUDIT COMMITTEE

The Audit Committee of our Company was constituted on April 24, 2009 pursuant to Section 292A of the Companies Act, 1956 and other applicable regulations. The Audit Committee was reconstituted by a Board resolution dated September 1, 2014. The Committee currently comprises 3 Directors.

1. Mr. Thomas Cherian Chairman -Non- Executive & Independent Director
2. Mrs. Philomina Thomas -Non- Executive & Independent Director
3. Mr. Roy M Mathew -Managing Director

THE TERMS OF REFERENCE OF THE AUDIT COMMITTEE, INTER ALIA, INCLUDE:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements before submission to our Board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in our Board's report in terms of clause (5) of Section 133 of the Companies Act;
 - b. Changes, if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgment by management;
 - d. Significant adjustments made in the financial statements arising out of audit findings;
 - e. Compliance with listing and other legal requirements relating to financial statements;
 - f. Disclosure of any related party transactions; and
 - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to our Board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/Prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
8. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
9. Reviewing management letters / letters of internal control weaknesses issued by the statutory auditors;
10. Discussion with internal auditors on any significant findings and follow up there on;
11. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
12. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
13. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
14. To review the functioning of the Whistle Blower mechanism, as adopted by the Company;
15. Approval of appointment of Chief Financial Officer (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate; and

16. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee or as maybe statutorily required to be carried out by the Audit Committee.

THE POWERS OF THE AUDIT COMMITTEE SHALL INCLUDE THE POWER:

1. To invite such of the executives, as it considers appropriate (and particularly the head of finance function) to be present at the meetings of the Committee;
2. To investigate any activity within its terms of reference;
3. To seek information from any employee;
4. To obtain outside legal or other professional advice; and
5. To secure attendance of outsiders with relevant expertise, if it considers necessary.

AUDIT COMMITTEE SHALL MANDATORILY REVIEW THE FOLLOWING INFORMATION:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses;
5. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee; and
6. The Financial statements

2. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee was formed pursuant to Section 178 of the Companies Act, vide board resolution dated April 10, 2014 and was reconstituted on March 1, 2015. The committee consists of the following members:

1. Mr. Thomas Cherian -Non- Executive & Independent Director.
2. Mrs. Philomina Thomas - Non- Executive & Independent Director.
3. Mr. K.P Venugopal - Additional Director.

TERMS OF REFERENCE OF THE NOMINATION AND REMUNERATION COMMITTEE INCLUDE THE FOLLOWING:

1. Identify persons who are qualified to become directors and may be appointed in senior management in accordance with criteria is laid down, recommended to the Board their appointment and removal and shall carry out evaluation of every director's performance.
2. Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, Key managerial personnel and other employees.
3. Ensure that:
 - a. The level and composition of remuneration is reasonable and sufficient to attract, retained motivate directors of the quality required to run the company successfully;
 - b. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - c. Remuneration to director, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

3. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Investor Grievance Committee constituted by a board resolution dated December 10, 2013, has been renamed as “Stakeholders Relationship Committee” as per the provisions of Section 178(5) of Companies Act, 2013 and consists the following members:

1. Mr. Thomas Cherian -Chairman Non- Executive & Independent Director.
2. Mrs. Philomina Thomas - Non- Executive & Independent Director.
3. Mr. Roy M Mathew-- Managing Director.

TERMS OF REFERENCE OF THE INVESTOR GRIEVANCE COMMITTEE INCLUDE THE FOLLOWING:

1. Efficient transfer of shares including review of cases for refusal of transfer / transmission of shares and debentures;
2. Redressing of shareholders and investor complaints such as non-receipt of declared dividend, annual report, Debenture Certificates, interest payments transfer of Equity Shares /Debentures and issue of duplicate/split/ consolidated share/Debenture certificates, , etc.;
3. Monitoring transfers, transmissions, dematerialization, re-materialization, splitting and consolidation of Equity Shares, debentures and other securities issued by the Company, including review of cases for refusal of transfer/ transmission of shares and debentures;
4. Allotment and listing of shares/Debentures;
5. Review of cases for refusal of transfer / transmission of shares and debentures;
6. Reference to statutory and regulatory authorities regarding investor grievances;
7. Ensure proper and timely attendance and redressal of investor queries and grievances; and
8. To do all such acts, things or deeds as may be necessary or incidental to the exercise of the above powers.

4. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (“CSR COMMITTEE”)

The CSR Committee has been constituted vide a board resolution dated April 10, 2014 and was reconstituted on September 1, 2014 as per the provisions of Companies Act, 2013

TERMS OF REFERENCE OF THE CSR COMMITTEE INCLUDE THE FOLLOWING:

- a. To formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as per the Companies Act, 2013;
- b. To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the company;
- c. To monitor the CSR policy of the Company from time to time;
- d. Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time;
- e. Formulate CSR Policy and recommend the same to the Board of Directors of the Company for approval;
- f. Recommend CSR activities as stated under Schedule VII of the Act;
- g. Approve to undertake CSR activities in collaboration with our group companies/ other companies/firms/NGOs, etc. and to separately report the same in accordance with the CSR Rules.
- h. Recommend the CSR Budget;
- i. Spend the allocated CSR amount on the CSR activities once it is approved by the Board of Directors of the Company in accordance with the Act and the CSR Rules;
- j. Create transparent monitoring mechanism for implementation of CSR Initiatives in India;
- k. Submit the Reports to the Board in respect of the CSR activities undertaken by the Company;
- l. Monitor CSR Policy from time to time; and
- m. Authorize executives of the Company to attend the CSR Committee Meetings

THE COMMITTEE COMPRISES THE FOLLOWING DIRECTORS:

1. Mr. Roy M. Mathew - Managing Director.
2. Mrs. Nizzy Mathew - Wholetime Director .
3. Mr. Mathew Muthoottu - Wholetime Director .
4. Mr. Thomas Cherian-Independent Director.

5. DEBENTURE COMMITTEE

The Debenture Committee was constituted by a board resolution dated December 10, 2013. The Committee currently comprises of three Directors.

1. Mr. Roy M. Mathew - Managing Director.
2. Mrs. Nizzy Mathew - Wholetime Director.
3. Mr. Mathew Muthoottu - Wholetime Director.

TERMS OF REFERENCE OF THE DEBENTURE COMMITTEE INCLUDE THE FOLLOWING:

1. Determining and approving the terms and conditions of the debentures to issued, number of the Debentures to be issued, the timing, nature, type, pricing and such other terms and conditions of the issue including coupon rate, minimum subscription, retention of oversubscription, if any, etc.;
2. To approve and make changes to the Prospectus;
3. To approve the final Prospectus, including any corrigendum, amendments supplements thereto, and the issue thereof;
4. To issue and allot the Debentures;
5. To approve all other matters relating to the issue and do all such acts, deeds, matters and things including execution of all such deeds, documents, instruments, applications and writings as it may, at its discretion, deem necessary and desirable for such purpose including without limitation the utilization of the issue proceeds, modify or alter any of the terms and conditions, including size of the Issue, as it may deem expedient, of Issue and/or early closure of the Issue.

MANAGEMENT COMMITTEES:

1. ASSET LIABILITY MANAGEMENT COMMITTEE

The Asset Liability Management Committee was constituted by a board resolution dated April 22, 2012. The Asset Liability Management Committee currently comprises of:

1. Mr. Roy M Mathew - Chairman -Managing Director.
2. Mr. K. George Varghese - Chief Operating Officer.
3. Mr. Anoop Thomas - Chief Financial Officer.
4. Mr. Tom Jyothis.K - Manager, Systems.
5. Mr. K. Nirmalanandan - Senior Finance Manager.

The ALCO Policy of the company will be based on the monitoring of the following performance parameters:

1. To ensure that the asset liability management strategy and Company's market risk management policies are implemented;
2. To provide a strategic framework to identify, asses, quality and manage market risk, liquidity risk, interest rate risk, price risk etc.
3. To ensure adherence to the risk limits;
4. To articulate current interest rate view of the Company and base its decisions on future business strategy on this view;

5. To decide product pricing, desired maturity profile of assets and liabilities and also the mix of incremental assets and liabilities such as fixed versus floating rate funds, domestic vs. foreign currency funds etc;
6. To monitor the risk levels of the Company;
7. To review the results of and progress in implementation of the decisions;
8. To report to the Board of Directors on the adequacy of the Company's systems and controls for managing risk, and for recommending any changes or improvements, as necessary;
9. To ensure that all activities are within the overall regulatory framework and government regulation;
10. To ensure proper management within defined control parameters set by the Board, of the Company's net interest income and its structural exposure to movements in external environment;
11. To review and assess the management of funding undertaken by Company and formulate appropriate actions;
12. To review and assess the management of the Company's liquidity with the framework and policies established by the Board, as the case may be, and formulate appropriate actions to be taken;
13. To consider the significance of ALM of any changes in customer behavior and formulate appropriate actions;
14. To consider, if appropriate, the composition of the Company's capital structure, taking account of future regulatory requirements and rating agency views.

2. INVESTMENT COMMITTEE

The Investment Committee was constituted by a board resolution dated April 24, 2009.

The investment securities portfolio of the Company shall be managed to maximize portfolio yield over the long term in a manner that is consistent with liquidity needs, loan requirements, asset/liability management strategies and safety of principal. Portfolio strategies will be utilized to assist the company, in the attainment of a level of interest rate sensitivity consistent with the goals of the Asset/Liability Management Policy.

The Investment Committee currently comprises of:

- | | |
|---------------------------|---------------------------------|
| 1. Mr. Roy M Mathew | - Chairman & Managing Director. |
| 2. Mr. Mathew Muthoottu | - Whole time Director. |
| 3. Mr. K. George Varghese | - Chief Operating Officer. |
| 4. Mr. Anoop Thomas | - Chief Financial Officer. |

3. RISK MANAGEMENT COMMITTEE

The Risk Management Committee was constituted vide a board resolution dated April 22, 2013 and reconstituted on April 7, 2015 and the committee consists of the following members;

- | | |
|---------------------------|---------------------------|
| 1. Mr. Roy M Mathew | - Managing Director |
| 2. Mr. Mathew Muthoottu | - Whole time Director |
| 3. Mr. K. George Varghese | - Chief Operating Officer |
| 4. Mr. Anoop Thomas | - Chief Financial Officer |
| 5. Mr. Chandrakumar | - Chief Audit Officer |

TERMS OF REFERENCE

- 1) To assist the Board in the execution of its risk management accountabilities, the Committee shall be charged with the following general responsibilities:
- 2) To assist the Board in setting risk strategy policies in liason with management and in the discharge of its duties relating to corporate accountability and associated risk in terms of management assurance and reporting;
- 3) To review and assess the quality, integrity and effectiveness of the risk management systems and ensure that the risk policies and strategies are effectively managed;
- 4) To review and assess the nature, role, responsibility and authority of the risk management function within the

MMFL and outline the scope of risk management work;

- 5) To ensure that the MMFL has implemented an effective ongoing process to identify risk, to measure its potential impact against a broad set of assumptions and then to activate what is necessary to pro-actively manage these risks, and to decide the MMFL's appetite or tolerance for risk;
- 6) To ensure that a systematic, documented assessment of the processes and outcomes surrounding key risks is undertaken at least annually for the purpose of making its public statement on risk management including internal control;
- 7) To oversee formal reviews of activities associated with the effectiveness of risk management and internal control processes. A comprehensive system of control should be established to ensure that risks are mitigated and that the MMFL's objectives are attained;
- 8) To review processes and procedures to ensure the effectiveness of internal systems of control so that decision-making capability and accuracy of reporting and financial results are always maintained at an optimal level;
- 9) To monitor external developments relating to the practice of corporate accountability and the reporting of specifically associated risk, including emerging and prospective impacts;
- 10) To provide an independent and objective oversight and view of the information presented by management on corporate accountability and specifically associated risk, also taking account of reports by the Audit Committee to the Board on all categories of identified risks facing MMFL.
- 11) To review the risk bearing capacity of MMFL in light of its reserves, insurance coverage or other such financial structures

KEY MANAGERIAL PERSONNEL

Mr. Roy M. Mathew-Managing Director, Mrs Nizzy Mathew and Mr.Mathew Muthoottu – Wholetime Directors, Mr. Anoop Thomas Jacob- Chief Financial Officer and Ms Priya Menon- Company secretary were appointed as Key Managerial personnel by the Board in their Meeting held on 10th April 2014.

Ms. Priya K Menon ceased to be the Company Secretary of the Company effective from the closing hours of 6th May 2015. Subsequently, the Board of Directors of the Company at its meeting held on 30th April 2015 has appointed Mrs. K.S.Smitha as the Company Secretary and Key Managerial personnel of the Company.

THE REMUNERATION PAID TO KMP FORM PART OF THE EXTRACT OF THE ANNUAL REPORT ANNEXED TO THIS REPORT

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3) (c) of the Companies Act, 2013.

- i. That in preparation of the annual financial statements for the year ended March 31, 2015 the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
- ii. That appropriate accounting policies have been selected and applied consistently and judgments and estimates made 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 ended March 31, 2015 and of the profit of the Company for the said year.
- iii. That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. That the annual accounts have been prepared on a going concern basis.
- v. The Company has an established internal financial control framework including internal controls over financial reporting, operating controls and for the prevention and detection of frauds and errors. The framework is reviewed periodically by management and tested by the internal audit team appointed by the management to conduct the internal audit. Based on the periodical testing, the framework is strengthened from time to time to ensure the adequacy and effectiveness of internal financial controls and

- vi. That systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

WHISTLE BLOWER POLICY

The Company as part of the 'vigil mechanism' has in place a 'Whistle Blower Policy' to deal with instances of fraud and mismanagement, if any. The Whistle Blower Policy has been approved by the Board at its meeting held on 1st September 2014.

This vigil mechanism of the Company is overseen by the Audit Committee and provides adequate safeguard against victimization of employees and directors who avail of the vigil mechanism and also provide direct access to the Chairperson of the Audit Committee in exceptional circumstances.

ENTERPRISE RISK MANAGEMENT

The Board of Directors had also formulated an Enterprise Risk Management Policy for identification, assessment, monitoring, mitigation and reporting procedures of enterprise risks. The risks have been categorised into Strategic, Operational, Financial, Compliance and Project risks.

MENTORSHIP AND SUCCESSION PLANNING POLICY

The Board of Directors has formulated a comprehensive policy for establishing a structured approach to ensure an internal supply of competent employees who can take up key and higher positions of responsibility as and when necessary. The roles, eligibility, time frame, integration with other Human Resource functions and Succession Planning process for the senior management have been spelt out in this policy.

NOMINATION AND REMUNERATION POLICY

The Board has also formulated a Nomination and Remuneration Policy with the aim of annually reviewing the structure, size and composition of the Board of Directors, assessing the independence of independent directors, recommending policies from time to time relating to the remuneration for Directors, KMPs and other employees as may be referred and other recommendations related to the matter.

HR POLICY AGAINST SEXUAL HARASSMENT

Company has formulated a comprehensive Human Resource Policy which comprises of stringent measures against the employees committing Sexual Harassment to the fellow employees.

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

FAIR PRACTICES CODE, AUCTION POLICY AND NPA POLICY

The Company has a well defined Fair Practices Code, Auction Policy and NPA policy, consistent with the guidelines issued by the Reserve Bank of India and the policies are reviewed from time to time

RELATED PARTY TRANSACTIONS

Pursuant to the provisions of Section 134(3)(h) read with Rule 8(2) of the Companies (Accounts) Rules, 2014, particulars of the contracts or arrangements with related parties referred to in section 188(1) in Form AOC-2 is annexed as 'Annexure 2-'.

These have also been discussed in detail in the Notes to the Financial Statements in this Annual Report.

STATUTORY AUDITORS.

M/s Vijayakumar and Easwaran who were appointed as Statutory Auditors for the Financial Year 2014-15 resigned after the half year ended 30th September 2014 consequent to which and pursuant to the provisions of Section 139 and 141 of the Companies Act, 2013, M/s Vishnu Rajendran & Co, Chartered Accountants, were appointed as Statutory Auditors of the Company to hold office till the conclusion of the forthcoming Annual general Meeting to be held on 30/09/2015.

The appointment of M/s Vishnu Rajendran & Co, Chartered Accountants, as Statutory Auditors of the Company was made at the Extraordinary general Meeting of the Company held on 01/11/2014.

Necessary Resolution for appointment of M/s Vishnu Rajendran & Co, Chartered Accountants, as Statutory Auditors of the Company for the next two financial Years, has been included in the Notice for the Annual General Meeting.

SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013, the Board of Directors at its meeting held on 01/03/2015 had appointed M/s. Satheesh and Remesh Practicing Company Secretaries, as the Secretarial Auditor of the Company to conduct the secretarial audit of the Company for the Financial Year 2014 - 15.

THE REPORT OF THE SECRETARIAL AUDITOR IN FORM MR-3 IS ANNEXED AS 'ANNEXURE 3'.

SIGNIFICANT AND MATERIAL ORDERS

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

REPORT ON FRAUDS

In compliance with Master Circular No.RBI/2014-15/44 dated 01.07.2014 all frauds of Rs.1.00 lakh and above are reported to the Board of Directors promptly on their detection.

Two frauds, as detailed hereunder were reported to Reserve Bank of India during the period 01.04.2014 to 31.03.2015.

| Sl. No. | Fraud No. | Date of Reporting to RBI | Branch | Amount Involved (Rs. in Lakhs) | Current status |
|---------|-----------|--------------------------|-------------|--------------------------------|---|
| 1 | 14020001 | 11.07.2014 | Goregaon | 5.15 | Rs.1.20 lakhs since recovered. Proceedings under progress |
| 2 | 14020002 | 11.07.2014 | Puthukottai | 5.08 | Matter under investigation |

DETAILS OF AUCTIONS HELD DURING THE YEAR 2014-15

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

| Year | Number of Loan Accounts | Principal Amount outstanding at the dates of auctions (A)(Rs.) | Interest Recovered (B)(Rs.) | Total (A+B) (Rs.) | Value fetched (Rs.) |
|---------|-------------------------|--|-----------------------------|-------------------|---------------------|
| 2014-15 | 1,394 | 3,87,04,090 | 8,44,596 | 3,95,48,686 | 3,95,48,686 |

NOTE:

No sister concerns participated in the auctions during the year ended March 31, 2015.

EXTRACT OF ANNUAL RETURN

In accordance with Section 134 (3) (a) of the Companies Act, 2013 and Section 92(3) read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014 an extract of the Annual Return in Form MGT- 9 is appended as Annexure 4 to the Board's Report.

INTERNAL FINANCIAL CONTROL

The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the Financial and accounting records, and the timely preparation of reliable Management Information reports and Disclosures.

PARTICULARS OF EMPLOYEES - DISCLOSURE AS PER SECTION 197(12) OF THE COMPANIES ACT, 2013

A statement containing the names of employees employed throughout the financial year and in receipt of remuneration of Rs.60 lakh or more, or employed for part of the year and in receipt of Rs.5 lakh or more a month, under Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is appended as Annexure 5

BOARD DIVERSITY AND BOARD EVALUATION POLICY

Pursuant to the provisions of Section 134(3) (e), of the Companies Act 2013 the Company's policy on director's appointment and remuneration including interalia criteria for determining qualifications, positive attributes, independence of a director and other matters provided under Section 178(3) of the Companies Act 2013 is annexed as 'Annexure 6'.

RBI GUIDELINES

Reserve Bank of India (RBI) granted the Certificate of Registration to the Company to do the business of non-banking financial institution without accepting deposits. Your Company is a Systemically Important Non-Banking Financial Company (NBFC-ND-SI). The Company has complied with and continues to comply with all the applicable regulations and directions of the RBI.

CORPORATE GOVERNANCE

The Company's philosophy of Corporate Governance is aimed at assisting the management of the Company in the efficient conduct of its business and meeting its obligations to stakeholders, guided by a strong emphasis on transparency, accountability and integrity. The Company not being equity listed Company; provisions of Clause 49 relating to Corporate Governance are not applicable to this Company.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

ECONOMIC OUTLOOK

India's economic growth fell sharply in fiscal 2012 and the rise since then has been sluggish. Though private consumption is looking up, it has risen at a slow pace, with growth averaging 6.3% during fiscals 2013 to 2015. In fiscal 2016, we expect GDP growth to rise to 7.9%, most of which will continue to be led by private consumption pick-up.

At the same time, investment pick-up in the economy has been much slower, bringing down its share in GDP to 29.8% in fiscal 2015 from 33.6% in fiscal 2012. Despite this, the industrial sector has been facing excess capacity and low productivity levels, in the year under review. Higher interest rates have also been a dampener for investments to pick up.

INDUSTRY DEVELOPMENTS

The Indian economy has witnessed high growth rates in the past decade or so. Financing needs also have risen commensurately and is expected to continue to increase in order to support economic growth. Non-Banking Financial Companies (NBFCs) have been playing a complementary role to the other financial institutions, like banks, in meeting the funding needs of the economy. They help fill gaps in the availability of financial services with respect to the products as well as customer and geographical segments and reach.

NBFCs have, over the years, played a very vital role in the economy. They have been at the forefront of catering to the financial needs of the un-bankable masses in the rural and semi-urban areas. Through strong linkage at the grass root level, they have created a medium of reach and communication and have been very effectively serving this segment. Thus, NBFCs have all the key characteristics to enable the government and the regulator to achieve their stated mission of financial inclusion.

Growth of your Company's asset book, quality of assets and ability to raise funds depend significantly on the economy. Unfavorable events in the Indian economy can affect consumer sentiment and in turn impact consumer decision to purchase or seek the financial products and services we provide. Competition from a broad range of financial services providers, unstable political environment and changes in Government policy / regulatory framework could impact the Company's operations. However, your Company is taking measured steps to deal with the emerging situation and is fully prepared to face any threats.

As against this general trend in business, the aftermath of fall in gold prices and resultant decrease in interest income ended up in a not-so-lucrative growth rate for Gold Loan NBFCs. This holds true even for your Company, which saw a decline in the total assets under management figure. This had a direct impact on the net profit, for the year. However, with the improvement in general economic climate, combined with strategic business plans, diversification of loan products, addition of third party fee based products etc. your directors foresee a bright future for your Company, with benefits accruing to all the stakeholders.

OUR BUSINESS:

We are a non deposit taking systemically important NBFC in the Gold Loan sector lending money against the pledge of used household gold jewellery ("Gold Loans") in the states of Kerala, Tamil Nadu, Karnataka, Andhra Pradesh, Telangana, Goa, Delhi, Haryana, Uttar Pradesh (NCR), Pondicherry and Maharashtra. Our Gold Loan portfolio as of March 31, 2015 comprised of 2,42,525 gold loan accounts aggregating to Rs1,75,862.64 lacs which is 99.02% of our total loans and advances as on that date. We, as on May 31, 2015 have a network of 1,022 branches spread in the states of Kerala, Tamil Nadu, Karnataka, Andhra Pradesh, Telangana, Delhi, Goa, Haryana, Uttar Pradesh, Pondicherry and Maharashtra and we employ 4,448 persons in our business operations.

GOLD LOAN INITIATIVES:

Mahila Loan

Women customers are one of the targeted segment of our Company. Through Mahila Loans at attractive rates of interest, we help them by providing timely credit which will satisfy their immediate requirement without waiting too much. The targeted customers are self-help groups, women engaged in making handicrafts, tailoring, vegetable dealers, women drivers and all other working women in the country. Muthoottu Mini Mahila Loan is a solution which will speed up her efforts to support her family.

MM Aaswas

Targeted segment of this product is basically the borrowers who enquire about gold loans at low rate of interests. This product will meet the immediate requirement of those who want to pledge at low rate of interests. The purpose of implementing this product is to increase the walk-ins in the branches. The Company will get better customer mix also.

Normal Loan schemes

The company lends varying amounts per gram of the gold (LTV) depending upon the market value as detailed by RBI direction and the purity of the gold. As per the risk assessment of the Company a higher LTV is a riskier than a lower LTV. Accordingly, lower LTV attracts lower rate of interest and higher LTV attracts higher interest rate. Similarly, interest rates varies with the period of loan ie the rate of interest progressively goes up with the increase in the period of loan.

EMI schemes

EmZEE Gold Loan 12 (EMI):- It is an EMI scheme (Equated Monthly Installment) where the borrowers have the option to borrow money at lump sum and pay back on a monthly basis by pledging his/her ornaments. Maximum repayment period under this scheme is 12 months from the date of loan. The applicable rate of interest is 15% on a flat rate method. Minimum loan amount is Rs. 10,000 under this scheme.

EmZEE Gold Loan 24 (EMI):- It is also an EMI scheme. The borrowers have the option to borrow money at lump sum and pay back on a monthly basis by pledging his/her ornaments. Maximum repayment period under this scheme is 24 months from the date of loan. The applicable rate of interest is 14.5% on a flat rate method. Minimum loan amount is Rs. 25,000 under this scheme.

OTHER BUSINESS INITIATIVES

- Money Transfer Business – We have entered into corporate agreements with UAE Exchange & Financial Services Limited on May 15, 2013 for rendering money transfers through the 'Money gram' and 'Xpress Money'. Likewise we entered into a sub-registration agreement for corporate tie-up with Reliance Money Express Limited on March 15, 2011 for handling money transfers of Western Union Financial Services Inc.
- Insurance - With a view to expand our regular fee and commission based income, we have finalized corporate agency agreements with the Life Insurance Corporation of India for marketing their life insurance plans, as a corporate agent. We have a corporate agency partnership with Liberty Videocon General Insurance Company Limited for distribution of mutually consented general insurance products; with Orient General Insurance Company Limited for marketing their non-life products and; with Star Health and Allied Insurance Company Limited for marketing their health insurance products. Our Company recently procured registration with the IRDA, to act as a corporate agent for procuring and soliciting insurance business both in the life insurance and general insurance category.
- DP Services – We secured registration from SEBI as a Depository Participant on July 5, 2012 (bearing Registration Number IN-DP-CDSL-660- 2012 issued by the SEBI to act) and at present we have registered as a Depository Participant of CDSL for both securities and commodity transactions. We are in the process of entering into the DP Account maintenance business leveraging the strength of our branches network
- Broking services – We entered into a corporate tie-up with Doha Broking & Finance Company Limited a South India based broking and financial services firm, on April 12, 2013 for undertaking conducting and promoting brokerage business in equity, commodities and currency segments of national stock/ currency exchanges activities on its behalf, for our existing and new clients through selected branches and regional offices.

RISK MANAGEMENT AND PORTFOLIO QUALITY

As a lending institution, we are exposed to various risks that are related to our gold lending business and operating environment. Risk management forms an integral element of our business. Our objective in the risk management processes is to appreciate measure and monitor the various risks that we are subject to and to follow policies and procedures to address these risks. We do so through our risk management architecture. We continue to improve our policies and procedures and to implement these rigorously, for the efficient functioning of our business. This also helps in managing the risks, associated with our business. The major types of risk we face in our businesses are credit risk, operational risk, financial risk and market risk.

In order to address the risks that are inherent to our business, we have developed a risk management architecture that includes a risk management committee, internal audit department, vigilance department and a risk management department. Our Risk Management Committee, which is led by one of our Directors, oversees our risk management policies, which help us to identify measure, monitor and mitigate the various risks that we face in our businesses.

INTERNAL CONTROL SYSTEMS

The Company has an Internal Control System which is commensurate with the size, scale and complexity of its operations. The Internal Auditors monitor the efficiency and efficacy of the internal control systems in the Company, compliance with operating systems/accounting procedures and policies of the Company. Significant audit

observations and corrective actions thereon are presented to the Audit Committee of the Board.

The Company has adequate systems and procedures to provide assurance of recording transactions in all material respects. During the year, the internal audit department of the Company reviewed the adequacy and operating effectiveness of the internal financial controls as per Section 134 (5) of the Companies Act, 2013.

INTERNAL AUDIT AND COMPLIANCE

The Company conducts its internal audit and compliance functions within the parameters of regulatory framework which, in our opinion, is well commensurate with the size, scale and complexity of the operations. The internal controls and compliance functions are installed, evolved, reviewed, and upgraded periodically. The Company has its own internal audit team to cover all areas of operations including branches. The reports are placed before the Audit Committee of the Board. The Audit Committee reviews the performance of the audit and compliance functions, the effectiveness of controls and compliance with regulatory guidelines and gives such directions to the Management as necessary / considered appropriate. The Company has framed a compliance policy to effectively monitor and supervise the compliance function in accordance with the statutory requirements.

HUMAN RESOURCES

People remain the most valuable asset of your Company. Your Company is professionally managed with senior management personnel having rich experience and long tenure with the Company. Your Company follows a policy of building strong teams of talented professionals. Your Company encourages, appreciates and facilitates long term careers. Your Company continues to build on its capabilities in getting the right talent to support different products and geographies and is taking effective steps to retain the talent. The Company continues to focus on training programs for skill development and has a dedicated Learning and Development department with skilled personnel to identify, nurture and develop talent in the organization. As on March 31, 2015, your Company had 4571 Employees as compared to 4620 as on March 31, 2014.

ACKNOWLEDGEMENT

Your directors take this opportunity to place on record their appreciation to all employees for their hard work, spirited efforts, dedication and loyalty to the Company which has helped the Company maintain its growth.

The Directors also wish to place on record their appreciation for the support extended by the Reserve Bank of India, other regulatory and government bodies, Registrars and share transfer Agents, Company's auditors, customers, bankers, promoters and shareholders.

By order of the Board

Kochi
30/05/2015

Dr. Roy M Mathew
Managing Director
DIN: 01680866

Mr. Mathew Muthoottu
Whole Time Director
DIN: 01786534

ANNEXURE-1

CSR REPORTING FOR FINANCIAL YEAR 2014-2015

CSR POLICY

Muthoottu Mini Financiers Ltd since its inception has seen itself as a corporate citizen responsible to the society. The company in its meeting of Board of Director dated 30/05/2014, for the first time constituted a CSR committee.

The Company shall be undertaking activities in the following areas:

1. Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water
2. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects
3. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups
4. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water(Including Contribution to the Clean ganga Fund set up by the central Govt. For rejuvenation of river Ganga)
5. Protection of national heritage, art and culture including restoration of building and sites of historical importance and works of art and setting up of public libraries
6. Measures for the benefit of armed forces veterans, war widows and their dependents
7. Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports
8. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Schedules Castes, the Scheduled Tribes, other backward classes, minorities and women
9. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government.
10. Rural Development projects and Slum Area Development on areas declared by central/state Govt/ as slum areas.

COMPOSITION OF THE CSR COMMITTEE:

- | | |
|---------------------------|----------------------------------|
| i. Mr. Roy M. Mathew | - Managing Director, Chairperson |
| ii. Mrs. Nizzy Mathew | - Wholetime Director, Member |
| iii. Mr. Mathew Muthoottu | - Wholetime Director |
| iv. Mr. Thomas Cherian | - Independent Director |

AVERAGE NET PROFIT OF THE COMPANY FOR LAST THREE (3) FINANCIAL YEARS OF THE COMPANY:

| Financial Year | Net profit(for CSR) |
|----------------|----------------------|
| 2011-12 | 31,67,07,743 |
| 2012-13 | 70,21,13,829 |
| 2013-14 | 44,11,26,412 |

1. Prescribed CSR Expenditure (two percent (2%) of the average net profits **Rs. 97,32,987/-**
2. Details of CSR spend for the financial year: As detailed in table hereunder
 - a. Total amount spent for the financial year: **Rs. 97,33,561/**
 - b. Amount unspent, if any: **NIL**

c. Manner in which the amounts were spent during the financial year is detailed below

| Sl no | CSR project or activity identified | Sector in which the project is covered | Project or programme (1) Local areas or other (2) Specify the state and district in which project or programs was undertaken | Amount outlay- project or programs wise (Rs.) | Amount spent on the projects or programs (Rs.) | Cumulative expenditure upto the reporting period (Rs.) | Amount spent Direct or through implementing agency |
|-------|--|--|--|---|--|--|--|
| 1. | Prime Minister relief Fund | National welfare | Activities under Schedule VII (vii) to the Schedule to the Companies Act 2013. | ----- | 90,00,000 | 90,00,000 | Direct |
| 2. | Distribution of Education kits- School –text books, bags etc | Promoting Education | | 10,00,000 | 7,33,561 | 7,33,561 | Direct |
| | TOTAL | | | | 97,33,561 | 97,33,561 | |

ANNEXURE-2

FORM NO. AOC -2

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

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

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

| SL. No. | Particulars | Details (1) | Details (2) |
|---------|---|---|--------------------------------------|
| a) | Name (s) of the related party & nature of relationship | Roy M Mathew | MM Builders |
| b) | Nature of contracts/arrangements/transaction | Rent paid | Rent paid |
| c) | Duration of the contracts/arrangements/transaction | For various terms from 1year to 3 years | Three years commencing from 1/04/14. |
| d) | Salient terms of the contracts or arrangements or transaction including the value, if any | Rs. 55,99,000/- | Rs. 1,38,12,000/- |
| e) | Date of approval by the Board | As and when the requirement arises. All ongoing contracts | 10/04/14 |
| f) | Amount paid as advances, if any | Nil | Nil |

Your Directors draw attention of the members to Note 16 to the financial statement which sets out related party disclosures.

ANNEXURE-3

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2015

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

The Members,

Muthoottu Mini Financiers Limited

2/994 Muthoottu buildings, Kozhencherry

Pathanamtta, Kerala

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

Based on our limited verification of the Company's Books, Papers, Minute Books, Forms and Returns filed with regulatory authorities and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the financial year ended on March 31, 2015 ('Audit Period') complied with some of the statutory provisions listed hereunder and also that the Company has to improve its Board-processes and compliance mechanism in place to the extent, in the manner and subject to reporting made hereinafter:

We further report that maintenance of proper and updated Books, Papers, Minutes Books, filing of Forms and Returns with applicable regulatory authorities and maintaining other records is responsibility of management and of the Company, our responsibility is to verify the content of the documents produced before us, make objective evaluation of the content in respect of compliance and report thereon. We have examined on test check basis, the books, papers, minute books, forms and returns filed and other records maintained by the Company and produced before us for the financial year ended March 31, 2015, as per the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under to the extent of its applicability;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under to the extent of its applicability;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, to the extent the same was applicable to the Company
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent of its applicability:-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India
(Not applicable to the Company during the Audit period).
- (ii) The Debt Listing Agreements entered into by the Company with Stock Exchanges;
- (vi) Reserve Bank of India Act 1934 and guidelines issued under the act as applicable to the Company

Based on the aforesaid information provided by the Company, we report that during the financial year under report, the Company has not fully complied with the provisions of the above mentioned Acts, Rules, Regulations, Guidelines, and Standards etc. specifically with regard to that:

1. The Company has not fully complied with Provisions of the private placement of securities made during the year.
2. The Company has not fully complied with the provisions of the Debt listing agreement with the Stock Exchanges.
3. The Company has not fully complied with the Acts, Rules and guidelines with regard to the compulsory disclosures of information in the Company's website
4. In some cases reporting under various clauses of the Listing agreement was made with delay.
5. Proof of dispatch of notice and agendas of general meetings and Board meetings are not available in some cases.
6. The Company has not created charge on the assets of the Company for the Vehicle loan availed by the Company.
7. The Company has to make some disclosures in the various documents including annual report as required under the various Acts, rules regulations and listing agreements made there under applicable to the company.
8. The Company has to update its registers maintained under the various Labour laws applicable to the Company.
9. The Company has a internal audit system but the report of internal auditor is not placed before the Board

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non- Executive Directors except that the composition of the Board of directors is not accordance with required number of Independent directors during the year. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance but no documentary evidence was available for verification in this respect and the Company has to improve and develop a reasonable system for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through and proper system is in place which facilitates / ensure to capture and record, the dissenting member's views, if any, as part of the Minutes.

Based on the representation made by the Company and its Officers explaining us in respect of internal systems and mechanism established by the Company which ensures compliances of other Acts, Laws

and Regulations applicable to the Company, We report that the company has to improve and develop adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, there are no specific events / actions having a major bearing on the Company's affairs except the public issue of secured and unsecured non convertible debentures and non convertible secured debentures on private placements in pursuance of the laws, rules, regulations, guidelines, etc, referred to above.

For Satheesh and Remesh, Company Secretaries

N.Satheesh Kumar N

CP No. 6607

Date.08.08.2015

Note: This report is to be read with our letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.

'ANNEXURE A'

To

The Members,

Muthoottu Mini Financiers Limited

2/994 Muthoottu buildings, Kozhencherry

Pathanamthitta, Kerala

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

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

For Satheesh and Remesh, Company Secretaries

N.Satheesh Kumar N

CP No. 6607

Date 08.08.2015

ANNEXURE-4

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

as on financial year ended on 31.03.2014

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:

| | | |
|-----|---|---|
| i | CIN | U65910KL1998PLC012154 |
| ii | Registration Date | 18-Mar-98 |
| iii | Name of the Company | MUTHOOTTU MINI FINANCIERS LIMITED |
| iv | Category/Sub-category of the Company | PUBLIC LIMITED COMPANY |
| v | Address of the Registered office & contact details | 2/994, MUTHOOTTU BUILDINGS, KOZHENCHERRY, PATHANAMTHITTA – 689 641, KERALA, INDIA E-mail- cs@minimuthoottu.com |
| vi | Whether listed company | DEBT LISTED COMPANY |
| vii | Name , Address & contact details of the Registrar & Transfer Agent, if any. | LINK INTIME INDIA PRIVATE LIMITED C- 13 PANNALAL SILK MILLS COMPOUND, LBS MARG,BHANDUP (WEST), MUMBAI – 400 078, MAHARASHTRA, INDIA |

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 & Description of main products/services | NIC Code of the Product / service | % to total turnover of the company |
|-------|--|-----------------------------------|------------------------------------|
| 1. | GOLD LOANS | 99711352 | 99% |

I. PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

| SI No | Name & Address of The Company | CIN/GLN | Holding/Subsidiary/ Associate | % of Shares Held | Applicable Section |
|-------|-------------------------------|---------|-------------------------------|------------------|--------------------|
| | NIL | | | | |

IV. SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change in year |
|---------------------------------|---|--------------------|--------------------|-------------------|---|--------------------|--------------------|-------------------|------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individuals/HUF | 0 | 1,80,32,540 | 1,80,32,540 | 80.14 | 0 | 1,80,32,540 | 1,80,32,540 | 80.14 | 0 |
| b) Central Govt. or State Govt. | NIL | | | | | | | | |
| c) Bodies Corporates | 0 | 44,67,460 | 44,67,460 | 19.86 | 0 | 44,67,460 | 44,67,460 | 19.86 | 0 |
| d) Bank/FI | NIL | | | | | | | | |
| e) Any other | NIL | | | | | | | | |
| SUB TOTAL:(A) (1) | 0 | 2,25,00,000 | 2,25,00,000 | 100.00 | 0 | 2,25,00,000 | 2,25,00,000 | 100 | 0 |
| (2) Foreign | NIL | | | | | | | | |
| a) NRI- Individuals | | | | | | | | | |
| b) Other Individuals | | | | | | | | | |
| c) Bodies Corp. | | | | | | | | | |
| d) Banks/FI | | | | | | | | | |
| e) Any other... | | | | | | | | | |
| SUB TOTAL (A) (2) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Shareholding of Promoter | | | | | | | | | |
| (A)= (A)(1)+(A)(2) | 0 | 2,25,00,000 | 2,25,00,000 | 100.00 | 0 | 2,25,00,000 | 2,25,00,000 | 100 | 0 |
| B. PUBLIC SHAREHOLDING | | | | | | | | | |
| (1) Institutions | NIL | | | | | | | | |
| a) Mutual Funds | | | | | | | | | |
| b) Banks/FI | | | | | | | | | |
| c) Central Govt. | | | | | | | | | |
| d) State Govt. | | | | | | | | | |
| e) Venture Capital Fund | | | | | | | | | |
| f) Insurance Companies | | | | | | | | | |
| g) FIIS | | | | | | | | | |

| | | | | | | | | | |
|---|----------|--------------------|--------------------|---------------|----------|--------------------|--------------------|------------|----------|
| h) Foreign Venture | | | | | | | | | |
| Capital Funds | | | | | | | | | |
| i) Others (specify) | | | | | | | | | |
| SUB TOTAL (B)(1): | NIL | | | | | | | | |
| (2) Non Institutions | NIL | | | | | | | | |
| a) Bodies corporates | | | | | | | | | |
| i) Indian | | | | | | | | | |
| ii) Overseas | | | | | | | | | |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto Rs.1 lakhs | | | | | | | | | |
| ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs | | | | | | | | | |
| c) Others (specify) | | | | | | | | | |
| SUB TOTAL (B)(2): | NIL | | | | | | | | |
| Total Public Shareholding (B)= (B)(1)+(B)(2) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| C. Shares held by Custodian for GDRs & ADRs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total (A+B+C) | 0 | 2,25,00,000 | 2,25,00,000 | 100.00 | 0 | 2,25,00,000 | 2,25,00,000 | 100 | 0 |

I. REGISTRATION & OTHER DETAILS:

| SI No. | Share holders Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in share holding during the year |
|--------------|---|---|----------------------------------|---|-------------------------------------|----------------------------------|---|---|
| | | No of shares | % of total shares of the company | % of shares pledged/ encumbered to total shares | No of shares | % of total shares of the company | % of shares pledged/ encumbered to total shares | |
| 1 | Roy M. Mathew | 1,66,06,352 | 73.81 | Nil | 1,66,06,352 | 73.81 | Nil | 0 |
| 2 | Muthoottu Mini hotels Private Limited | 24,12,698 | 10.72 | Nil | 24,12,698 | 10.72 | Nil | 0 |
| 3 | Mini Muthoottu credit India Private Limited | 14,19,841 | 6.31 | Nil | 14,19,841 | 6.31 | Nil | 0 |
| 4 | Mathew Muthoottu | 13,88,094 | 6.17 | Nil | 13,88,094 | 6.17 | Nil | 0 |
| 5 | RMM Properties India Private Limited | 6,29,207 | 2.80 | Nil | 6,29,207 | 2.80 | Nil | 0 |
| 6 | Nizzy Mathew | 38,094 | 0.17 | Nil | 38,094 | 0.17 | Nil | 0 |
| 7 | Muthoottu Mini theatres private limited | 5,714 | 0.02 | Nil | 5,714 | 0.02 | Nil | 0 |
| Total | 2,25,00,000 | 100 | Nil | 2,25,00,000 | 100 | Nil | 0 | |

VI. CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)

| Sl. No. | | Share holding at the beginning of the Year | | Cumulative Share holding during the year | |
|---------|--|--|----------------------------------|--|----------------------------------|
| | | No. of Shares | % of total shares of the company | No of shares | % of total shares of the company |
| | At the beginning of the year | 2,25,00,000 | 100 | 2,25,00,000 | 100 |
| | Date wise increase/ decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer /bonus / sweat equity etc) | NIL | | | |
| | At the end of the year | 2,25,00,000 | 100 | 2,25,00,000 | 100 |

VII. SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS & HOLDERS OF GDRS & ADRS)

| Sl. No | | Shareholding at the end of the year | | Cumulative Shareholding during the year | |
|--------|---|--|----------------------------------|---|----------------------------------|
| | | No.of shares | % of total shares of the company | No of shares | % of total shares of the company |
| | At the beginning of the year | | | | |
| | Date wise increase/ decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus / sweat equity etc) | <p style="text-align: center;">NOT APPLICABLE. % Shares held by promoters/promoter</p> | | | |
| | At the end of the year (or on the date of separation, if separated during the year) | | | | |

VIII. SHAREHOLDING OF DIRECTORS & KMP

| Sl. No | Name of the Directors & KMP | Shareholding at the Beginning of the year | | Shareholding at the year end | |
|--------|---------------------------------------|---|----------------------------------|------------------------------|----------------------------------|
| | | No.of shares | % of total shares of the company | No of shares | % of total shares of the company |
| 1. | Roy M Mathew - Managing Director | 1,66,06,352 | 73.81 | 1,66,06,352 | 73.81 |
| 2. | Mathew Muthoottu- Whole time Director | 13,88,094 | 6.17 | 13,88,094 | 6.17 |
| 3. | Nizzy Mathew- Whole time Director | 38,094 | 0.17 | 38,094 | 0.17 |
| 4. | Anoop Thomas-CFO | 0 | 0.00 | 0 | 0.00 |
| 5. | Priya K Menon- Company Secretary | 0 | 0.00 | 0 | 0.00 |

IX. INDEBTEDNESS

| Indebtedness of the Company including interest outstanding/accrued but not due for payment | | | | |
|--|--|-----------------------|----------------|--------------------------|
| | Secured Loans excluding deposits (Rs.) | Unsecured Loans (Rs.) | Deposits (Rs.) | Total Indebtedness (Rs.) |
| Indebtness at the beginning of the financial year | | | NIL | |
| i) Principal Amount | 16,18,63,99,007 | 1,20,45,000 | | 16,19,84,44,007 |
| ii) Interest due but not paid | | | | - |
| iii) Interest accrued but not due | 11,26,66,480 | - | | 11,26,66,480 |
| Total (i+ii+iii) | 16,29,90,65,487 | 1,20,45,000 | | 16,31,11,10,487 |
| Change in Indebtedness during the financial year | | | | |
| Additions | 2,84,14,14,683 | 2,95,00,000 | | 2,87,09,14,683 |
| Reduction | 7,58,93,64,936 | | | 7,58,93,64,936 |
| Net Change | (4,74,79,50,253) | 2,95,00,000 | | (4,71,84,50,253) |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 11,43,84,48,754 | 1,25,21,81,000 | | 12,69,06,29,754 |
| ii) Interest due but not paid | - | - | | - |
| iii) Interest accrued but not due | 27,20,51,289 | - | | 27,20,51,289 |
| Total (i+ii+iii) | 11,71,05,00,043 | 1,25,21,81,000 | | 12,96,26,81,043 |

X. REMUNERATION TO MANAGING DIRECTOR, WHOLE TIME DIRECTOR AND/OR MANAGER:

| Sl.No | Particulars of Remuneration | Name of the MD/WTD/Manager | | | Total Amount |
|-------|---|--|----------------------|----------------------|------------------------|
| 1 | Gross salary | Roy M Mathew | Nizzy Mathew | Mathew Muthoottu | |
| | (a) Salary as per provisions of Sn 17(1) of the Income Tax. 1961. | Rs. 96,00,000 | Rs. 26,00,000 | Rs. 10,40,000 | Rs. 1,32,40,000 |
| | (b) Value of perquisites u/s 17(2) of the IT Act, 1961 | - | - | - | - |
| | (c) Profits in lieu of salary under Sn 17(3) of the Income Tax Act, 1961 | - | - | - | - |
| 2 | Stock option | - | - | - | - |
| 3 | Sweat Equity | - | - | - | - |
| 4 | Commission as % of profit | - | - | - | - |
| 5 | others, please specify | - | - | - | - |
| | TOTAL | Rs. 96,00,000 | Rs. 26,00,000 | Rs. 10,40,000 | Rs. 1,32,40,000 |
| | Ceiling as per the Act | *In terms of the provisions of the Companies Act, 2013, the remuneration payable to Managing Director / All executive Directors shall not exceed limits prescribed as per Section 197 of the Act. The above remunerations paid to Managing Director and Executive directors are well within the said limit | | | |

B. REMUNERATION TO OTHER DIRECTORS:

| Sl.# | Particulars of Remuneration | Name of the Directors | | |
|------|--|------------------------|--------------------------|----------------------|
| 1 | Independent/Non-Executive Directors | Thomas Cherian# | Philomina Thomas# | KP Venugopal# |
| | (a) Fee for attending Board / committee meetings | - | - | - |
| | (b) Commission | | | |
| | (c) Others, please specify | | | |
| | Total | | | |
| | Total Managerial Remuneration | | | |
| | Overall Ceiling as per the Act. | | | |

#Directors have waived sitting fees payable to them for FY 2014-15.

C. Remuneration to KMP other than Directors

| S I . No. | Particulars of Remuneration | Key Managerial Personnel | | |
|--------------|---|--------------------------|---------------|-----------|
| | | Company Secretary | CFO | Total |
| | Gross Salary | | | |
| 1 | | Rs.3,60,000 | Rs. 17,28,000 | 20,88,000 |
| | (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961 | -- | -- | -- |
| | (b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961 | -- | -- | -- |
| 2 | (c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961 | -- | -- | -- |
| 3 | Stock Option | -- | -- | -- |
| 4 | Sweat Equity | -- | -- | -- |
| 5 | Commission as % of profit | -- | -- | -- |
| | Others, please specify | Rs.3,60,000 | Rs. 17,28,000 | 20,88,000 |

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties/punishment/compounding of offences for the year ended March 31, 2015.

ANNEXURE 5

Statement showing the names and other particulars of the employee drawing remuneration in excess of the limits set out in terms of the provisions of Section 197(12) of the Act read with Rules 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

| | | |
|----|---|---|
| 1 | Name of the Employee : | Roy M Mathew |
| 2 | Designation of the employee | Managing Director |
| 3 | Nature of employment, whether contractual or otherwise | Promoter of the company |
| 4 | Qualification and experience of the employee | Ph.D in Entrepreneurship Development, 40+ years in NBFC & Financial Institutions. |
| 5 | Date of commencement of employment | 18/03/1988 |
| 6. | The age of such employee: | 66 |
| 7 | The last employment held by such employee before joining the company | Promoter |
| 8 | The percentage of equity shares held by the employee in the company | 73.81% |
| 9 | Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager | Promoter |

ANNEXURE 6

NOMINATION, REMUNERATION & EVALUATION POLICY

PREAMBLE

As per the provisions of Section 178 (3) of the Companies Act, 2013 the company shall constitute a Nomination and Remuneration Committee and such Committee shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal.

The committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees.

Further Sections 134 & 149 of the Companies Act, 2013 requires every listed company to have a formal evaluation mechanism to evaluate the performance of the Board, its committees and Individual directors. Section 178 of the Companies Act further provides that Nomination & Remuneration Committee of the company shall carry out evaluation of every Director's performance.

In compliance of the above requirements, MMFL being a Debt Listed Company has constituted a Nomination and Remuneration Committee and the Committee has formulated a Nomination, Remuneration and Evaluation Policy to provide a framework and set standards for the nomination and remuneration of the Directors, Key Managerial Personnel and Other employees and evaluation of the Directors. The Company aims to achieve a balance of merit, experience and skills amongst its Directors, Key Managerial Personnel and Senior Management.

DEFINITIONS

Act means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time;

Board means Board of Directors of the Company;

Director means a director appointed to the Board of the Company and includes Whole-time Directors, Non-Executive Directors(s) and Independent Directors.

Key Managerial Personnel (KMP) means

1. Managing Director
2. Whole time Director
3. Chief Financial Officer and
4. Company Secretary

Nomination & Remuneration Committee of the Company means a sub-committee of the Board constituted in accordance with the provisions of Section 178(1) of the Act

Senior Management means to include all members other than the Directors and KMPs of the Company who are the members of its core management team excluding the Board of Directors including Functional Heads.

OBJECTIVES OF NOMINATION & REMUNERATION COMMITTEE

The Nomination and Remuneration Committee is responsible for:

1. Reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board annually and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy, with the objective to diversify the Board.
2. Identifying individuals suitably qualified to be appointed as Directors and those who may be appointed as KMP's of the Company.
3. Recommending to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees, as may be referred.

4. Ensuring that level and composition of remuneration is reasonable and sufficient and relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
5. Assessing the independence of independent directors.
6. Evaluating the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board members.
7. Making recommendations to the Board concerning any matters relating to the continuation in office of any Director, subject to the provisions of law and their service contracts.
8. Devising a policy on Board diversity.
9. Such other key issues or matters as may be referred by the Board or as may be necessary in view of the Listing Agreement and provisions of the Act and Rules made thereunder.

APPOINTMENT CRITERIA AND QUALIFICATIONS

The Committee shall identify and ascertain the qualification, expertise, industry experience, integrity, back ground and other qualities of the persons for appointment as Director or as KMP and recommend to the Board his / her appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position concerned.

The Committee shall assess the criteria of independence fulfilled by the appointee in case of recommending a person for appointment / re-appointment as Independent Director.

The Committee shall consider the extent to which the person proposed to be appointed as Director, is likely to contribute to the overall effectiveness of the Board and work constructively with the existing directors and enhance the efficiencies of the Company.

The Committee shall consider the nature of existing positions held by the appointee including directorships or other relationships and the impact it may have on the appointee's ability to exercise independent judgment.

The Committee shall consider the appointment of any person who has attained the age of 70 years as Whole-time Director, only with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for such appointment.

The Committee shall ensure that formal letter of appointment is given to the independent directors at time of their appointment.

TERM / TENURE

The Committee shall recommend the appointment or re-appointment of any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time.

The Committee shall recommend appointment or re-appointment of any person as independent director for a term upto five consecutive years and also ensuring that no independent director is holding office for more than two consecutive terms.

Recommending to the Board, appointment of KMPs / Senior Management as per the provisions of the Act and policy of the Company.

REMOVAL

The Committee may recommend, to the Board due to reasons of any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder and the same recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the Act, rules and regulations.

RETIREMENT

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position or otherwise, even after attaining the retirement age, for the benefit of the Company.

POLICY RELATING TO THE REMUNERATION FOR THE WHOLE-TIME DIRECTOR, KMP AND SENIOR MANAGEMENT PERSONNEL

Remuneration for Whole-time / Non-Executive / Independent Directors

The remuneration including commission payable to Whole-time Directors will be determined by the Committee in accordance with the provisions of the Articles of Association of the Company and the Act and recommended to the Board for approval, subject to the approval of the shareholders of the Company and Central Government, wherever required.

The Committee shall ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully.

If in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director/ Managing Director in accordance with the provisions of Schedule V of the Act.

Increments to the existing remuneration structure may be recommended by the Committee to the Board which should be within the limits approved by the shareholders.

Where any insurance is taken by the Company on behalf of its Directors, for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to them. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

Non-Executive and Independent Directors shall receive remuneration by way of sitting fees for attending the meetings of Board and sub-committees of the Board, in which they hold membership / chairmanship as the case may be. Sitting fee payable shall be fixed and approved by the Board within the limits as prescribed in the Act.

Remuneration for Key Managerial Personnel and Other Employees

The Committee shall take into account the qualification, industry experience, integrity of the appointee, existing remuneration level for similar positions in other companies operating in the same sector etc. while fixing the remuneration payable to the KMPs. The remuneration to be fixed for the Senior Management Personnel has been assigned to be decided by the Managing Director. The remuneration payable shall be structured in such way that it consists of fixed and variable pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

EVALUATION CRITERIA FOR THE BOARD:

Performance Evaluation of Board

As per the provisions of Section 134 and 178 of the Companies Act, 2013, the performance of the Board of a Company is to be evaluated annually by the Nomination and Remuneration Committee and a statement indicating the manner in which formal annual evaluation has been made by the Board of its own performance and that of its committees and individual directors shall be mentioned in the Board's report.

The Company's Board consists of optimum combination of Executive and Non-Executive Directors and performance evaluation of the Board as a whole, each individual director and sub-committees of the Board is to be carried out, to ensure that with the efficient performance of the Board, the Company's objectives are achieved and stakeholders' expectations are met.

In each Financial Year the Board will undertake the following activities:

- The Board shall discuss the operating and financial performance, strategic proposals, risk management and key appointments and standards of conduct.
- The Board shall ensure that the Company has adopted best governance practices in all spheres of its operations which results in enhanced value for the stakeholders.
- The Board as a whole will discuss and analyse its own performance during the year.

- The Board shall review the performance of Independent Directors, excluding the Director being evaluated.
- The Board shall review from time to time the necessity of forming any sub-committees of the Board and delegating certain of its powers, duties and responsibilities to such sub-committees.
- The Board shall review the terms of reference of the sub-committees to ensure that these are in line with the provisions of the Act, Listing Agreement or such other regulations that may in force.
- The Board shall review the adequacy of number of meetings and provide suggestions for improving Board deliberations.
- The Board shall ensure that minimum information is made available to the Board as specified in Annexure / Schedule to the Listing Agreement.
- The Board shall ensure that as per the provisions of the Act and Listing Agreement, matters which are to be discussed and decided in Board meeting are placed and decided at the Board Meeting.
- The Board shall from time to time review those matters which have a bearing on the operations / performance of the Company and needs to be compulsorily informed to the exchange.

Independent Directors of the Company shall hold at least one meeting in a year and consider the following:

- Review the performance of non-independent Directors and the Board as a whole.
- Review the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors.
- Assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.
- Criteria for evaluation of the performance of the Board.

The Board will assess its performance with regard to the following aspects:

1. Analysing the operational activities and financial indicators of the Company.
2. Understanding the enterprise risk and suggesting mitigation procedures for the risks identified.
3. Analysis of the budgets and strategic proposals of the Company and its periodical review.
4. Ability to take appropriate decisions for the proposals placed before the Board.
5. Reviewing the future roadmap of the Company and giving suggestive measures.
6. Awareness about the industry in which the Company operates
7. Monitoring of all statutory compliance.
8. Implementation of various policies approved by the Board.
9. Preparedness in dealing with unforeseen crises

Contribution to Board deliberations with regard to important policy matters and strategic proposals

EVALUATION CRITERIA FOR INDEPENDENT DIRECTOR:

A. Personal Traits

1. Highest personal and professional ethics, integrity, values and Independence.
2. Inquisitive and objective perspective, practical wisdom and mature judgment
3. Contribution to Board deliberations

B. Other Criteria

1. Willingness to devote sufficient time to carry out the duties and responsibilities effectively, including attendance at meetings
2. To act in the best interest of minority shareholders of the Company.
3. Absence of personal and business relationships that would pose a conflict of interest with the best interests of the Company.

4. Compliance with the definition of Independent Director as provided in the Companies Act 2013 & Listing Agreement.
5. Monitoring the implementation of Corporate Governance guidelines and conflict of interest policy adopted by the Company.

EVALUATION CRITERIA FOR INDIVIDUAL DIRECTORS

- Individual Director's performance will be evaluated considering the following:
- Active participation in the Board deliberations and attendance in meetings.
- Contribution in practice of corporate governance by the Company.
- Leadership through vision and values.
- Strategic thinking and decision making.
- Providing guidance to the Management
- Contribution to resolution of divergent views.

EVALUATION CRITERIA FOR CHAIRMAN

1. Ensuring effectiveness in conduct of Board Meetings & Share Holder Meetings
2. Ensuring that matters are discussed at the Board Meetings in a structured way in order to achieve a balanced decision
3. Proactive role in the Board & Committee Evaluation
4. Acting as a facilitator of the Agenda for the Board Meetings and monitoring finalisation of Minutes

BOARD DIVERSITY POLICY

I. INTRODUCTION

Provisions of Companies Act, 2013 provides for a transparent Board nomination process with the diversity of thought, experience, knowledge, perspective and gender in the constitution of Board of a listed Company. It further provides that Nomination & Remuneration Committee of the Company shall devise a policy on Board Diversity. In compliance of the above requirements, Muthoottu Mini Financiers Limited has adopted a policy on Board Diversity.

II. OBJECTIVE

This Policy aims to set out the approach to achieving diversity for the board of directors of MMFL.

III. POLICY STATEMENT

The Company recognises that the benefits of a Board that possesses a balance of skills, experience, expertise and diversity of perspectives is appropriate to the requirements of the business of the Company.

The Company maintains that Board appointment should be based on merit, skills, experience and expertise and also takes into account gender, age, professional experience and qualifications, cultural and educational background, and any other factors that the Board might consider relevant and applicable from time to time towards achieving a diverse Board.

Based on the recommendation of the Nomination and Remuneration Committee, the Board of the Company is responsible for reviewing the structure, size and composition of the Board and the appointment of new directors from time to time to ensure that the Board of the Company consists of an optimum composition of skills, experience and expertise which is appropriate to achieve the desired goals of the Company.

IV. REVIEW AND MONITORING

The Nomination & Remuneration Committee of the Board of Directors of the Company will review and monitor from time to time the implementation of this Policy to ensure its effectiveness.

‘ANNEXURE A’

To

The Members,

Muthoottu Mini Financiers Limited

2/994 Muthoottu buildings, Kozhencherry

Pathanamthitta, Kerala

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

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

For Satheesh and Remesh, Company Secretaries

N.Satheesh Kumar N

CP No. 6607

Date 08.08.2015

INDEPENDENT AUDITORS' REPORT

To the members of Muthoottu Mini Financiers Limited,

We have audited the accompanying standalone financial statements of Muthoottu Mini Financiers Limited ('the Company') which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory notes.

Management's Responsibility for the Standalone Financial Statement

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

Auditors' Responsibility

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

We conducted our audit in accordance with the Standards on Auditing 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 Auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2015 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure I, a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Non-Banking Financial Companies Auditors' Report (Reserve Bank) Directions, 2008, we give in Annexure – II, a statement on the matters specified in the said directions.
3. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act, and
 - f) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company does not have any pending litigations which would impact its financial position.
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Vishnu Rajendran & Co
Chartered Accountants
FRN: 004741S

Place: Kochi
Date: 30th May, 2015

P.A. Joseph M.Sc., FCA
M.No.201101 (Partner)

ANNEXURE I TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2015, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a programme of physical verification of its fixed assets at intervals which are reasonable with regard to the nature and size of its business and no material discrepancies have been noticed on such verification.
- (ii) The Company is a Non Banking Finance Company. Accordingly it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and sale of services. The activities of the Company do not involve purchase of inventory and the sale of goods. We have not observed any major weakness in the internal control system during the course of our audit.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits.
- (vi) According to the information and explanations given to us, in respect of the Company, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were in arrears as at 31 March 2015 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no material dues of income tax, sales tax, wealth tax, service tax, duty of customs and duty of excise which have not been deposited with the appropriate authorities on account of any dispute.
- (c) According to the information and explanations given to us, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company in accordance with the relevant provisions of the Companies Act, 2013 and rules there under.
- (viii) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (ix) According to the records of the company examined by us and the information and explanations given to us, the company has not defaulted during the period in repayment of dues to financial institutions, banks or debenture holders during the year.
- (x) In our opinion and according to the information and the explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.

- (xi) According to the information and explanations given to us, the term loans were applied for the purpose for which the loans were obtained.
- (xii) According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

For Vishnu Rajendran & Co
Chartered Accountants
FRN: 004741S

Place: Kochi
Date: 30th May, 2015

P.A. Joseph M.Sc., FCA
M.No.201101 (Partner)

ANNEXURE II TO THE INDEPENDENT AUDITORS' REPORT
To the Board of Directors of Muthoottu Mini Financiers Limited.

As required by the Non-Banking Financial Companies Auditors' Report (Reserve Bank) Directions 2008, according to the information and explanations to us, we give below, a statement on matters specified in the said directions:

- (i) The Company is engaged in the business of Non-Banking Financial institution and it has obtained the Certificate of Registration No. N-16.00175, dated 1st January 2014 as provided in section 45 IA of the RBI Act, 1934.
- (ii) The Company is entitled to hold Certificate of Registration in terms of Asset/Income Pattern as on 31st March, 2015.
- (iii) The Company is not classified as an Asset Finance Company as defined in Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998 with reference to the business carried on by it during the year ended 31st March, 2015
- (iv) The Board of Directors of the company has passed a resolution for non-acceptance of Public Deposits.
- (v) The Company has not accepted any public deposits during the year.
- (vi) According to the information and explanation given to us, the Company has complied with the prudential norms on Income Recognition, Accounting Standards, Asset Classification, Provisioning for bad and doubtful debts as specified in the directions issued by the Reserve Bank of India in terms of the Non-Banking Financial (Non-Deposit Accepting or holding) Companies Prudential Norms (Reserve Bank) Directions 2007.
- (vii) The Capital adequacy Ratio as disclosed in the return submitted to the RBI in form NBS- 7 has been correctly arrived and such ratio is in compliance with the minimum CRAR prescribed by the Reserve Bank of India.
- (viii) The Company has furnished to the RBI the annual statement of Capital Funds, risk assets and risk asset ratio within the stipulated period.

For Vishnu Rajendran & Co
Chartered Accountants
FRN: 004741S

Place: Kochi
 Date: 30th May, 2015

P.A. Joseph M.Sc., FCA
M.No.201101 (Partner)

BALANCE SHEET

(Rupees)

| | Particulars | Note No. | As at 31/03/2015 | As at 31/03/2014 |
|-----|---|----------|------------------------|------------------------|
| I. | EQUITY AND LIABILITIES | | | |
| (1) | Shareholders' Funds | | | |
| | (a) Share Capital | A | 2,25,00,00,000 | 2,25,00,00,000 |
| | (b) Reserves and Surplus | B | 2,17,91,31,001 | 1,99,43,50,169 |
| (2) | Share application money pending allotment | | | |
| (3) | Non-current Liabilities | | | |
| | (a) Long-term borrowings | C | 8,36,14,90,402 | 6,87,69,84,237 |
| | (b) Deferred tax liabilities (Net) | | - | - |
| | (c) Other Long-term Liabilities | D | - | - |
| | (d) Long-term provisions | E | 2,65,56,813 | 1,33,46,900 |
| (4) | Current Liabilities | | | |
| | (a) Short-term borrowings | F | 2,64,96,27,947 | 2,33,67,03,134 |
| | (b) Other Current liabilities | G | 4,63,13,00,768 | 9,44,91,08,256 |
| | (c) Short Term Provisions | H | 10,83,91,127 | 7,36,00,894 |
| | TOTAL | | 20,20,64,98,058 | 22,99,40,93,590 |
| II. | ASSETS | | | |
| (1) | Non-current assets | | | |
| | (a) Fixed Assets | | | |
| | (i) Tangible Assets | I | 1,46,29,82,394 | 1,39,91,85,318 |
| | (ii) Intangible Asset | J | - | - |
| | (iii) Capital work-in-progress | | 8,14,51,422 | 14,55,94,569 |
| | (b) Non-current investments | K | 3,73,41,739 | 3,72,78,864 |
| | (c) Deferred Tax assets (Net) | | 94,81,868 | 1,41,04,394 |
| | (d) Long term loans and advances | L | 34,75,88,834 | 24,41,40,574 |
| | (e) Other non-current asset | M | | |
| (2) | Current Assets | | | |
| | (a) Current Investments | N | 39,56,107 | 39,61,926 |
| | (b) Inventories | O | - | - |
| | (c) Trade Receivable | P | - | - |
| | (d) Cash and cash equivalents | Q | 40,87,25,652 | 2,42,76,49,248 |
| | (e) Short-term loans and advances | R | 17,75,93,47,173 | 18,65,79,12,518 |
| | (f) Other current assets | S | 9,56,22,869 | 6,42,66,179 |
| | TOTAL | | 20,20,64,98,058 | 22,99,40,93,590 |

As per our report of even date attached

See accompanying notes to the Financial Statements

For Vishnu Rajendran & Co.
Chartered Accountants
FRN.0047415

For Muthoottu Mini Financiers Limited

Roy M Mathew (DIN 01680866)
Managing Director

Mathew Muthoottu (DIN: 01786534)
Director

P.A. Joseph M.Sc, FCA
Partner
M.No.201101

Anoop Thomas Jacob
Chief Financial Officer

K S Smitha
Company Secretary

Place : Kochi
Date : 30 May 2015

PROFIT AND LOSS STATEMENT

(Rupees)

| | Particulars | Note No. | For the Year ended 31/03/2015 | For the Year ended 31/03/2014 |
|------|--|----------|----------------------------------|----------------------------------|
| I | Revenue from operations | T | 3,52,53,90,675 | 3,53,23,43,902 |
| II | Other Income | U | 17,13,544 | 43,42,196 |
| III | Total Revenue (I + II) | | 3,52,71,04,219 | 3,53,66,86,098 |
| IV | Expenses | | | |
| | (a) Employee benefits expenses | V | 53,21,57,019 | 51,31,20,186 |
| | (b) Finance Costs | W | 1,97,01,34,145 | 1,77,92,87,832 |
| | (c) Depreciation and amortization expenses | X | 14,36,74,079 | 14,56,22,762 |
| | (d) Other expenses | Y | 58,25,40,295 | 65,75,28,906 |
| | Total Expenses | | 3,22,85,05,538 | 3,09,55,59,686 |
| V | Profit before Tax | | 29,85,98,681 | 44,11,26,412 |
| | Add: Prior Period Items (net) | | (10,45,388) | 3,03,84,033 |
| | | | 29,75,53,293 | 47,15,10,445 |
| VI | Tax Expenses | | | |
| | (a) Current Tax | | 10,81,49,936 | 15,50,00,000 |
| | (b) Deferred Tax | | 46,22,526 | (2,01,03,359) |
| VII | Profit/ (loss) for the period | | 18,47,80,831 | 33,66,13,804 |
| VIII | Earnings per share: | | | |
| | (a) Basic | | 8.21 | 17.56 |
| | (b) Diluted | | 8.21 | 17.56 |

As per our report of even date attached

See accompanying notes to the Financial Statements

For Vishnu Rajendran & Co.
Chartered Accountants
FRN.004741S

For Muthoottu Mini Financiers Limited

Roy M Mathew (DIN 01680866)
Managing Director

Mathew Muthoottu (DIN: 01786534)
Director

P.A. Joseph M.Sc, FCA
Partner
M.No.201101

Anoop Thomas Jacob
Chief Financial Officer

K S Smitha
Company Secretary

Place : Kochi
Date : 30 May 2015

CASH FLOW STATEMENT

(Rupees)

| Particulars | For the year ended 31.03.2015 | | For the year ended 31.03.2014 | |
|--|-------------------------------|-------------------------|-------------------------------|-----------------------|
| A. Cash Flow from Operating Activities | | | | |
| Profit before tax after prior period adjustments | | 29,75,53,293 | | 47,15,10,445 |
| Adjustments for : | | | | |
| Provision for standard Assets | (34,31,777) | | 5,63,079 | |
| Provision for NPA | 3,82,22,010 | | 1,39,37,006 | |
| Provision for Gratuity (Net) | 1,32,09,913 | | 1,33,46,900 | |
| Profit on Sale of Car | (14,15,423) | | (19,63,489) | |
| Depreciation | 10,90,50,579 | | 14,55,10,300 | |
| Bonus Paid during the year | - | | (4,63,83,072) | |
| Prior Period Item | (23,288) | | (2,86,16,928) | |
| Income from Non Operating Business | (36,771) | 15,55,75,243 | (43,42,196) | 9,20,51,600 |
| Operating Profit / (Loss) before working capital Adjustments | | 45,31,28,536 | | 56,35,62,045 |
| Adjustments for : | | | | |
| Short term loans & Advances | 89,85,65,345 | | (29,21,69,414) | |
| Current Investment | 5,819 | | (39,61,926) | |
| Other current Assets | (3,13,56,690) | | (1,64,91,112) | |
| Short term borrowings | 31,29,24,813 | | 29,25,88,471 | |
| Current Liabilities | (4,81,78,07,487) | (3,63,76,68,200) | (1,14,42,40,913) | (1,16,42,74,894) |
| Cash Generated from operations | | (3,18,45,39,664) | | (60,07,12,849) |
| Income Tax paid / Provisions | | (10,81,49,936) | | (15,50,00,000) |
| Net Cash Flow from Operating Activity | | (3,29,26,89,600) | | (75,57,12,849) |
| B. Cash Flow from Investment Activities | | | | |
| Income from Investment | | 36,771 | | 43,42,196 |
| (Increase)/Decrease in Long Term Loans & Advances | | (10,34,48,260) | | (12,77,50,310) |
| (Increase)/Decrease in Investment | | (62,875) | | - |
| Sale of Fixed Assets | | 2,12,88,677 | | 84,99,900 |
| Purchase of Fixed Assets | | (12,85,54,475) | | (47,89,41,464) |
| Net Cash Flow from Investment Activity | | (21,07,40,162) | | (59,38,49,678) |
| C. Cash Flow from Financing Activity | | | | |
| Increase/(Decrease) in Long Term Borrowings | | 1,48,45,06,166 | | 2,31,75,80,541 |
| Increase/(Decrease) in Capital incl. Securities Premium | | - | | 50,00,00,000 |
| Net Cash Flow from Financing Activity | | 1,48,45,06,166 | | 2,81,75,80,541 |
| Net Increase/(Decrease) in Cash & Cash Equivalents(A+B+C) | | (2,01,89,23,596) | | 1,46,80,18,015 |
| Opening Balance of Cash & Cash Equivalents | | 2,42,76,49,248 | | 95,96,31,233 |
| Closing Balance of Cash & Cash Equivalents | | 40,87,25,652 | | 2,42,76,49,248 |
| Components of Cash and Cash Equivalents | | | | |
| Current Account with Banks | | 3,72,89,110 | | 22,20,69,301 |
| Deposit with Banks | | 8,44,67,544 | | 2,25,25,166 |
| Escrow Account | | - | | 1,95,58,57,000 |
| Cash on Hand | | 28,69,68,998 | | 22,71,97,781 |
| | | 40,87,25,652 | | 2,42,76,49,248 |

As per our report of even date attached

Notes : The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Standard on Cash Flow Statement (AS- 3) issued by the Institute of Chartered Accountants of India.

**For Vishnu Rajendran & Co.
Chartered Accountants
FRN.004741S**

For Muthoottu Mini Financiers Limited

**Roy M Mathew (DIN 01680866)
Managing Director**

**Mathew Muthoottu (DIN: 01786534)
Director**

**P.A. Joseph M.Sc, FCA
Partner
M.No.201101**

**Anoop Thomas Jacob
Chief Financial Officer**

**K S Smitha
Company Secretary**

Place : Kochi
Date : 30 May 2015

ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

A. SHARE CAPITAL

(Rupees)

| Particulars | As at 31-03-2015 | | As at 31-03-2014 | |
|---|------------------|----------------|------------------|----------------|
| | Number | Amount | Number | Amount |
| Authorised Capital | | | | |
| Equity shares of Rs. 100/- each | 2,25,00,000 | 2,25,00,00,000 | 2,25,00,000 | 2,25,00,00,000 |
| Issued, Subscribed & Paid up | | | | |
| Equity shares of Rs. 100/- each, fully paid | 2,25,00,000 | 2,25,00,00,000 | 2,25,00,000 | 2,25,00,00,000 |

Rights attached to each class of equity shares

The Company has only one class of equity shares having a par value of Rs 100/- per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Reconciliation of the no. of shares outstanding at the beginning & at the end of the reporting period

| Particulars | As at 31-03-2015 | | As at 31-03-2014 | |
|---|------------------|----------------|------------------|----------------|
| | Number | Amount | Number | Amount |
| Shares outstanding at the beginning of the year | 2,25,00,000 | 2,25,00,00,000 | 1,75,00,000 | 1,75,00,00,000 |
| Shares issued during the period | - | - | 50,00,000 | 50,00,00,000 |
| Shares bought back during the period | - | - | - | - |
| Shares outstanding at the end of the year | 2,25,00,000 | 2,25,00,00,000 | 2,25,00,000 | 2,25,00,00,000 |

Particulars of shareholders holding more than 5 percent share

| Name of shareholder | As at 31-03-2015 | | As at 31-03- 2014 | |
|-------------------------------------|------------------|--------|-------------------|--------|
| | Number | % | Number | % |
| Mr. Roy M Mathew | 1,66,06,352 | 73.81% | 1,66,06,352 | 73.81% |
| Mr. Mathew Muthoottu | 13,88,094 | 6.17% | 13,88,094 | 6.17% |
| Mini Muthoottu Hotels (P) Ltd | 24,12,698 | 10.72% | 24,12,698 | 10.72% |
| Mini Muthoottu Credit India (P) Ltd | 14,19,841 | 6.31% | 14,19,841 | 6.31% |

Particulars of Shares Issued during the Previous 5 Years

| Particulars | During the Year/Period | | | | | |
|--|------------------------|-----------|-----------|---------|---------|---------|
| | 2014-15 | 2013-14 | 2012-13 | 2011-12 | 2010-11 | 2009-10 |
| Equity Shares of Rs. 100/- each | | | | | | |
| Aggregate no. of shares allotted as fully paid up pursuant to contracts without payment being received in cash | - | - | - | - | - | - |
| Aggregate number & class of shares allotted as fully paid up by way of bonus shares | - | 25,00,000 | 17,50,000 | - | - | - |
| Aggregate number & class of shares bought back | - | - | - | - | - | - |

B. RESERVES & SURPLUS

| Particulars | As at 31/03/2015 | As at 31/03/2014 |
|--|------------------|------------------|
| a. Securities Premium Reserve | | |
| Opening Balance | 62,50,00,000 | 37,50,00,000 |
| (+) Securities Premium credited on Share Issue | - | 25,00,00,000 |
| (-) Written back in current year | - | - |
| Closing Balance | 62,50,00,000 | 62,50,00,000 |

| | | |
|--|-----------------------|-----------------------|
| b. Revaluation Reserve | | |
| Opening Balance | 3,50,00,000 | 28,50,00,000 |
| (+) Current Year Transfer | - | - |
| (-) Reduced in current year | - | (25,00,00,000) |
| Closing Balance | 3,50,00,000 | 3,50,00,000 |
| c. Other Reserves | | |
| (i). Special Reserve Fund(u/s 451C of RBI Act, 1934) | | |
| Opening Balance | 28,02,46,990 | 21,29,24,229 |
| (+) Current Year Transfer | 3,69,56,167 | 6,73,22,761 |
| (-) Written back in current year | - | - |
| Closing Balance | 31,72,03,157 | 28,02,46,990 |
| (ii). Debenture Redemption Reserve | | |
| Opening Balance | - | - |
| (+) Current Year Transfer | 1,20,19,27,844 | - |
| (-) Written back in current year | - | - |
| Closing Balance | 1,20,19,27,844 | - |
| d. Surplus in Profit & Loss Statement | | |
| Opening Balance | 1,05,41,03,179 | 78,48,12,136 |
| (+) Net profit /(loss) for the current year | 18,47,80,831 | 33,66,13,804 |
| (-) Transfer to Special Reserves | (3,69,56,167) | (6,73,22,761) |
| (-) Transfer to Debenture Redemption Reserves | (1,20,19,27,844) | - |
| Closing Balance | - | 1,05,41,03,179 |
| TOTAL | 2,17,91,31,001 | 1,99,43,50,169 |

a) Statutory Reserve represents the Reserve Fund created u/s 451C of the Reserve Bank of India Act, 1934. An amount of Rs 3,69,56,167/- representing 20% of the Net Profit is transferred to the Fund during the year and the remaining surplus in Profit & Loss Statement of Rs. 1,20,19,27,844/- was transferred to Debenture Redemption Reserve. No other appropriation has been made out of the reserve fund during the year.

C. LONG TERM BORROWINGS

(Rupees)

| Particulars | As at 31/03/2015 | As at 31/03/2014 |
|---|-----------------------|-----------------------|
| SECURED LOAN | | |
| (a) Bonds/debentures | 66,64,50,000 | 1,95,58,57,000 |
| (i) Secured, Redeemable NCD - Public Issue I* | 85,77,77,000 | - |
| (ii) Secured, Redeemable NCD - Public Issue II* | 1,97,69,51,000 | - |
| (iii) Secured, Redeemable NCD - Public Issue III* | | - |
| (*Secured by way of first charge on immovable property located at House of Hiranandhini, No. 5/63, Old Mahabalipuram Road, Egathur Village, Chennai - 600130 and first charge on Current assets including Book debts, Loans & Advances, Cash & Bank Balances and Receivables, both present and future except those receivables specifically and exclusively charged in favour of the existing lenders ranking pari-passu with the existing secured debenture holders) | | |
| Sub-Total | 3,50,11,78,000 | 1,95,58,57,000 |

| | | |
|---|-----------------------|-----------------------|
| (iv) Secured, Redeemable, privately Placed NCD (Secured on floating charge on all assets of the company both present and future, except gold loan receivables charged exclusively to South Indian Bank, State Bank of Travancore, Federal Bank and Dhanalakshmi Bank for availing loan.) | | |
| Series XVIII of Secured, Redeemable Non Convertible Debentures | 97,77,72,000 | 1,02,91,72,000 |
| Series XVII of Secured, Redeemable Non Convertible Debentures | 51,86,71,000 | 94,07,88,000 |
| Series XVI of Secured, Redeemable Non Convertible Debentures | 12,40,56,000 | 26,70,34,000 |
| Series XV of Secured, Redeemable Non Convertible Debentures | 48,11,73,000 | 66,64,79,000 |
| Series XIV of Secured, Redeemable Non Convertible Debentures | 26,18,79,818 | 30,55,47,650 |
| Series XIII of Secured, Redeemable Non Convertible Debentures | 32,68,89,000 | 55,86,82,000 |
| Series XII of Secured, Redeemable Non Convertible Debentures | 15,84,78,000 | 20,08,39,000 |
| Series XI of Secured, Redeemable Non Convertible Debentures | 8,51,29,000 | 15,66,68,000 |
| Series X of Secured, Redeemable Non Convertible Debentures | 5,89,27,000 | 7,28,33,000 |
| Series IX of Secured, Redeemable Non Convertible Debentures | 20,41,28,000 | 22,14,99,000 |
| Series VIII of Secured, Redeemable Non Convertible Debentures | 13,71,04,000 | 13,72,58,000 |
| Series VII of Secured, Redeemable Non Convertible Debentures | 6,02,36,000 | 6,86,01,000 |
| Series VI of Secured, Redeemable Non Convertible Debentures | 20,85,000 | 22,72,000 |
| Series V of Secured, Redeemable Non Convertible Debentures | 5,34,000 | 19,83,000 |
| Series IV of Secured, Redeemable Non Convertible Debentures | - | 12,000 |
| Sub-Total | 3,39,70,61,818 | 4,62,96,67,650 |
| (b) Term Loans | | |
| (A) From Banks | | |
| (i) South Indian Bank 1510 (Secured by Hypothecation of Fixed Assets purchased / Sundry Deposits for opening new branches) | 18,39,83,250 | 24,63,51,410 |
| (ii) 316655261 (SIB Vehicle Loan) (Secured on Hypothecation of Vehicle) HDFC Bank : Vehicle Loans | 92,67,801 | 1,56,22,968 |
| (i) 23595362 (Secured on Hypothecation of Vehicle) | 37,95,152 | 55,92,380 |
| (ii) 24740699 (Benz) (Secured on Hypothecation of Vehicle) | 19,10,273 | 26,63,938 |
| (iii) 25297680 (Jaguar) (Secured on Hypothecation of Vehicle) | 60,55,507 | 82,22,166 |
| (iv) 24849893 (Innova) (Secured on Hypothecation of Vehicle) | 6,99,789 | 9,61,725 |
| (v) 28520493 (BMW-X5) (Secured on Hypothecation of Vehicle) | 53,57,812 | |
| UNSECURED LOAN | | |
| (a) Bonds/debentures | | |
| Unsecured Debentures | 4,15,45,000 | 1,20,45,000 |
| Unsecured Public Placed Debenture - Public Issue II | 49,62,99,000 | - |
| Unsecured Public Placed Debenture - Public Issue III | 71,43,37,000 | - |
| Sub-Total | 1,46,32,50,584 | 29,14,59,587 |
| TOTAL | 8,36,14,90,402 | 6,87,69,84,237 |

D.OTHER LONG-TERM LIABILITIES

(Rupees)

| Particulars | As at 31/03/2015 | As at 31/03/2014 |
|-------------|------------------|------------------|
| | - | - |
| TOTAL | - | - |
| | . | |

E. LONG TERM PROVISIONS

| Particulars | As at 31/03/2015 | As at 31/03/2014 |
|-------------------------------------|--------------------|--------------------|
| (a) Provision for employee benefits | | |
| (1)Provision for Gratuity | 2,65,56,813 | 1,33,46,900 |
| | | |
| TOTAL | 2,65,56,813 | 1,33,46,900 |

F. SHORT-TERM BORROWINGS

| Particulars | As at 31/03/2015 | As at 31/03/2014 |
|---|-----------------------|-----------------------|
| SECURED LOAN | | |
| (a) Loans repayable on demand | | |
| (A) From Bank | | |
| (i) South Indian Bank Limited | 1,64,48,40,795 | 1,49,25,86,789 |
| (Secured by way of Gold Loan Receivables of specific branches allocated exclusively to bank with a 25% margin. Additional collateral by way of Immovable property owned by company and its group companies viz. Muthoottu Mini Theatres (P) Ltd., Muthoottu Mini Hotels (P) Ltd, Mini Muthoottu Credit India (P) Ltd., & Kandamath Cine Enterprises (P) Ltd.) | | |
| (ii) Federal Bank Ltd., Pathanamthitta | 49,77,85,577 | 24,57,81,680 |
| (Secured by way of Gold Loan Receivables of specific branches allocated exclusively to bank with 25% margin, additional collateral security of equitable mortgage on 53.450 cents immovable property in Maradu village owned by Kozhencherry Properties India (P) Ltd and personal guarantee of Directors viz. Mr. Roy Mathew, Mrs. Nizzy Mathew and Mathew Muthoottu) | | |
| (iv) State Bank of Travancore | 26,09,66,856 | 35,77,70,397 |
| (Secured by way of Gold Loan Receivables of specific branches allocated exclusively to bank with 25% margin, Equitable Mortgage of 32.86 ares (81.197 cents)of land at Maradu Village of Muthoottu Mini Theatres Private Limited, Personal Guarantee of Roy M Mathew, Nizzy Mathew and Mathew Muthoottu and corporate Guarantee of Muthoottu Mini Theatres Private Limited) | | |
| (v) Dhanalaxmi Bank | 24,60,34,719 | 24,05,64,268 |
| (Secured by way of Gold Loan Receivables of specific branches allocated exclusively to bank with 25% margin, Equitable Mortgage of 34.39 ares (84.943 cents)of land, Personal Guarantee of Roy M Mathew, Nizzy Mathew and Mathew Muthoottu and corporate Guarantee of Muthoottu Mini Theatres Private Limited) | | |
| TOTAL | 2,64,96,27,947 | 2,33,67,03,134 |

G. OTHER CURRENT LIABILITIES

(Rupees)

| Particulars | As at 31/03/2015 | As at 31/03/2014 |
|---|-----------------------|-----------------------|
| a) Current Maturity of Long Term Debts | | |
| (i) Secured Privately placed NCD | 1,82,30,72,833 | 9,24,39,70,331 |
| (ii) Secured, Redeemable NCD Public Issue | 2,43,16,30,000 | - |
| (iii) Term Loan | | |
| - South Indian Bank 1510. | 6,23,68,160 | 6,81,48,160 |
| - 316655261 (SIB Car Loan) | 57,60,000 | 48,48,000 |
| - 23595362 (HDFC Car Loan) | 17,97,228 | 16,27,682 |
| - 24740699 (HDFC Benz) | 7,53,665 | 6,82,905 |
| - 25297680 (HDFC Jaguar) | 21,66,659 | 19,46,759 |
| - 24849893 (HDFC Innova) | 2,61,936 | 2,35,933 |
| - 28520493 (HDFC BMW-X5) | 13,28,870 | - |
| | 4,32,91,39,351 | 9,32,14,59,770 |
| b) Interest accrued but not due on Debentures | 27,20,51,289 | 11,26,66,480 |
| c) Other payables | | |
| Security Deposit | 74,95,274 | 81,65,271 |
| Audit fees | - | 1,16,712 |
| ESI, EPF & Staff Welfare Fund | 37,54,447 | 31,81,552 |
| Tax Deducted at Source | 91,26,586 | 20,73,346 |
| Other Advances | 2,31,000 | 2,31,000 |
| Service Tax | 6,21,798 | 92,733 |
| Professional tax | 10,360 | 31,215 |
| Advance from Clients (Stamp) | 4,14,565 | 4,18,695 |
| Sundry Deposit | 1,87,982 | 1,87,982 |
| Caution Deposit | 45,21,100 | 4,83,500 |
| Expenses payable | 17,69,583 | - |
| VAT Payable | 19,77,433 | - |
| | 30,21,61,417 | 12,76,48,486 |
| TOTAL | 4,63,13,00,768 | 9,44,91,08,256 |

H. SHORT -TERM PROVISIONS

| Particulars | As at 31/03/2015 | As at 31/03/2014 |
|--|---------------------|--------------------|
| (a) Provision Employee benefits | | |
| (b) Others | | |
| (1) Provision for Non Performing Assets | 6,55,10,309 | 2,72,88,299 |
| (2) Contingent Provision for Standard Assets | 4,28,80,818 | 4,63,12,595 |
| TOTAL | 10,83,91,127 | 7,36,00,894 |

(Rupees)

Rupees)

J. INTANGIBLE ASSETS

1

K - NON CURRENT INVESTMENTS

(Rupees)

| Particulars | As at 31/03/2015 | As at 31/03/2014 |
|--------------------------------------|--------------------|--------------------|
| Other Investments | | |
| (a) Investment in Equity instruments | 3,73,41,739 | 3,72,78,864 |
| TOTAL | 3,73,41,739 | 3,72,78,864 |

Investments (Non-trade) are considered as long term and are stated at cost.

L. LONG TERM LOANS & ADVANCES

| Particulars | As at 31/03/2015 | As at 31/03/2014 |
|---|---------------------|---------------------|
| a) Security Deposits | | |
| Unsecured, considered good | | |
| Rent Deposit | 19,72,00,240 | 19,68,05,933 |
| Security Deposit with NSE, BSE & CDSL | 8,82,95,000 | 2,08,75,000 |
| b) Other loans and advances | | |
| Secured, Considered Good | | |
| Income Tax including TDS (Net of Provisions) | 6,20,93,594 | 2,64,59,641 |
| TOTAL | 34,75,88,834 | 24,41,40,574 |
| Loans and advances due by | As at 31/03/2015 | As at 31/03/2014 |
| a) Directors | - | - |
| b) Other officers of the company either severally or jointly with any other persons | - | - |
| c) firms or private companies respectively in which any director is a partner or a director or a member | - | - |

M. OTHER NON-CURRENT ASSETS

| Particulars | As at 31/03/2015 | As at 31/03/2014 |
|--------------|------------------|------------------|
| Particulars | As at 31/03/2015 | As at 31/03/2014 |
| | - | - |
| TOTAL | - | - |

N. CURRENT INVESTMENTS

| Particulars | As at 31/03/2015 | As at 31/03/2014 |
|--------------------------|------------------|------------------|
| Other Investments | | |
| (a) Investment in E-Gold | 39,56,107 | 39,61,926 |
| TOTAL | 39,56,107 | 39,61,926 |

Current Investment is stated at cost.

O. INVENTORIES

(Rupees)

| Particulars | As at 31/03/2015 | As at 31/03/2014 |
|--------------|------------------|------------------|
| TOTAL | - | - |
| | - | - |

P. TRADE RECEIVABLE

| Particulars | As at 31/03/2015 | As at 31/03/2014 |
|--------------|------------------|------------------|
| TOTAL | - | - |
| | - | - |

Q. CASH & CASH EQUIVALENTS

| Particulars | As at 31/03/2015 | As at 31/03/2014 |
|--|---------------------|-----------------------|
| a) Balances with banks | | |
| In deposit account (12 months deposit) | 3,72,89,110 | 2,25,25,166 |
| In current account | 8,44,67,544 | 22,20,69,301 |
| In Escrow Account | - | 1,95,58,57,000 |
| b) Cash in hand | 28,69,68,998 | 22,71,97,781 |
| TOTAL | 40,87,25,652 | 2,42,76,49,248 |

R. SHORT TERM LOANS & ADVANCES

| Particulars | As at 31/03/2015 | As at 31/03/2014 |
|---|------------------------|------------------------|
| (a) Loans & Advances to Others | | |
| (A) Secured considered good | | |
| Gold Loan | 17,25,87,12,762 | 17,55,52,40,946 |
| Loan against debentures | 2,40,27,222 | 4,57,52,768 |
| Loan Against Security | - | 17,803 |
| (B) Secured considered doubtful | | |
| Gold Loan | 32,75,51,544 | 13,28,74,671 |
| (C) Unsecured | | |
| Education Loan | 19,598 | 32,374 |
| Personal Loan | 14,90,36,047 | 92,39,93,956 |
| TOTAL | 17,75,93,47,173 | 18,65,79,12,518 |

| Loan and advances due by | As at 31/03/2015 | As at 31/03/2014 |
|--|------------------|------------------|
| a) Directors | - | - |
| b) Other officers of the company either severally or jointly with any other persons | - | - |
| c) firms or private companies respectively in which any director is a partner or a director or a member. | - | - |

S.OTHER CURRENT ASSETS

(Rupees)

| Particulars | As at 31/03/2015 | As at 31/03/2014 |
|---------------------------------------|--------------------|--------------------|
| Bajaj Allianz Life Insurance Co Ltd | 1,52,865 | 1,52,865 |
| UAE Exchange & Financial Services Ltd | 7,48,424 | 7,41,692 |
| Western Union Money Transfer | 61,11,904 | 1,00,12,698 |
| Electricity Deposit | 47,140 | 34,174 |
| Telephone Deposit | 81,443 | 67,076 |
| Commission/Incentive Receivable | 14,35,525 | 8,55,665 |
| Prepaid Expenses | | |
| Public issue NCD charges | 4,48,00,612 | 1,49,37,040 |
| Advertisement Charges | - | 36,89,434 |
| Input service tax | 1,20,89,059 | 1,13,83,751 |
| CENVAT Receivable | 69,40,020 | - |
| Stamp & Stamp Paper on Hand | 71,603 | 57,426 |
| Advance to staff | - | 9,200 |
| Other Advances/Receivables | 2,21,96,028 | 2,23,85,987 |
| NSEL Client Account | 56,383 | (60,828.00) |
| Trans Fast | 7,48,813 | - |
| Liberty Videocon General Insurance | 93,050 | - |
| Oxygen Services India Pvt. Ltd | 50,000 | - |
| TOTAL | 9,56,22,869 | 6,42,66,180 |

T. REVENUE FROM OPERATIONS

| Particulars | 31/03/2015 | 31/03/2014 |
|-----------------------------|-----------------------|-----------------------|
| a) Interest Income | | |
| On Loans & Advances | 3,31,96,77,099 | 3,44,23,35,713 |
| On Loan against Security | - | 3,254 |
| On Loan against debentures | 49,16,122 | 2,25,05,545 |
| On Personal Loan | 18,29,58,668 | 5,38,97,317 |
| On Deposits | 25,79,209 | 19,95,206 |
| Interest Others | 1,60,434 | 1,92,420 |
| | 3,51,02,91,532 | 3,52,09,29,455 |
| b) Other Financial Services | | |
| Commission & Brokerage | 1,27,74,455 | 1,14,14,447 |
| Other Income | 23,24,688 | - |
| | 1,50,99,143 | 1,14,14,447 |
| TOTAL | 3,52,53,90,675 | 3,53,23,43,902 |

U. OTHER INCOME

(Rupees)

| Particulars | 31/03/2015 | 31/03/2014 |
|-------------------------------|------------------|------------------|
| a) Dividend income | 36,770 | 31,514 |
| b) Other non-operating income | | |
| Rental Income | - | 16,45,752 |
| Locker Rent | 14,884 | - |
| Profit on sale of car | 14,15,423 | 19,63,489 |
| Agricultural Income | 1,88,535 | 5,37,865 |
| Miscellaneous Income | 57,931 | 1,63,576 |
| TOTAL | 17,13,543 | 43,42,196 |

V. EMPLOYEE BENEFIT EXPENSES

| Particulars | 31/03/2015 | 31/03/2014 |
|-------------------------|---------------------|---------------------|
| a) Salaries & Wages | | |
| Director's remuneration | 1,32,40,000 | 1,29,60,000 |
| Other | 43,58,81,539 | 45,49,97,702 |
| Gratuity | 1,40,84,031 | 1,41,48,011 |
| b) Other Expenses | 6,89,51,449 | 3,10,14,473 |
| | | |
| TOTAL | 53,21,57,019 | 51,31,20,186 |

W. FINANCE COSTS

| Particulars | 31/03/2015 | 31/03/2014 |
|-------------------------------------|-----------------------|-----------------------|
| a) Interest expenses | | |
| Interest on debentures | 1,23,22,17,061 | 1,47,43,92,783 |
| Interest on Public issue NCD 1 | 27,48,45,709 | - |
| Interest on Public issue NCD 2 | 12,33,84,491 | - |
| Interest on Public issue NCD 3 | 8,28,71,623 | - |
| Interest on Loans | 21,89,66,682 | 28,44,36,104 |
| Interest on Application Money (NCD) | 3,28,85,809 | 1,03,20,783 |
| Other Charges | 49,62,770 | 1,01,38,162 |
| TOTAL | 1,97,01,34,145 | 1,77,92,87,832 |

X. DEPRECIATION & AMORTISATION EXPENSES

| Particulars | 31/03/2015 | 31/03/2014 |
|---|---------------------|---------------------|
| Depreciation Expenses | 10,90,50,579 | 14,55,10,300 |
| Amortisation of NCD Public Issue Expenses | 3,46,23,500 | 1,12,462 |
| TOTAL | 14,36,74,079 | 14,56,22,762 |

Y. OTHER EXPENSES

(Rupees)

| Particulars | 31/03/2015 | 31/03/2014 |
|---|---------------------|---------------------|
| Power and fuel | 1,90,94,469 | 2,18,28,973 |
| Rent | 26,87,89,358 | 23,74,15,718 |
| Repairs & Maintenance | 78,23,317 | 73,05,178 |
| Insurance | 1,02,25,271 | 1,19,20,556 |
| Rates & Taxes, excluding, taxes on income | 37,59,404 | 16,38,235 |
| Payment to Auditors | | |
| As Auditor | 13,05,296 | 5,61,800 |
| Others | | |
| Commission Paid | 13,36,860 | 5,87,618 |
| Business Promotion expenses | 5,53,23,333 | 5,18,98,522 |
| General Office Expenses | 2,48,69,235 | 3,27,19,752 |
| Advertisement charges | 2,19,51,711 | 13,06,51,824 |
| Bad debts written off | 29,20,014 | 1,20,70,075 |
| Travelling Expenses | | |
| Directors | 21,97,449 | 34,57,506 |
| Others | 2,56,14,986 | 3,00,79,719 |
| Honorarium | - | 3,000 |
| Legal & Professional Charges | 70,81,414 | 83,19,548 |
| Telephone Charges | 2,79,34,438 | 2,66,71,917 |
| Internal Audit Expenses | 29,74,122 | 28,52,449 |
| Donation & Charity | 17,30,183 | 37,16,211 |
| Subscription & Periodicals | 23,195 | 5,93,975 |
| Locker Rent | 3,542 | 1,012 |
| Postage & Courier | 25,26,485 | 44,79,802 |
| Printing & Stationery | 1,06,59,467 | 2,16,91,189 |
| Loss on Theft | 1,00,000 | - |
| Service Tax | 34,18,532 | 25,40,256 |
| Miscellaneous Expenses | 2,092 | 4,58,375 |
| Water charges | 11,288 | 22,339 |
| Provision for Non-performing assets | 3,82,22,010 | 1,39,37,006 |
| Contingent Provision for Standard Assets | (34,31,777) | 5,63,079 |
| Vehicle Running & Maintenance Expenses | 17,39,063 | 10,15,176 |
| Security Charges | 3,12,90,034 | 2,52,14,351 |
| Training & Meeting Expenses | 23,45,786 | 33,13,745 |
| Subscription Charges - Spot Exchange | 5,10,302 | - |
| DP accounting Opening charges | 2,05,289 | - |
| Corporate Social Responsibility | 97,49,674 | - |
| Public Issue NCD | 2,34,453 | - |
| TOTAL | 58,25,40,295 | 65,75,28,906 |

CAPITAL TO RISK-WEIGHTED ASSET RATIO (CRAR) COMPUTATION

| PARTICULARS | 31-03-2015 | 31-03-2014 |
|--|------------------------|------------------------|
| CAPITAL FUND | | |
| TIER 1 CAPITAL | | |
| 1.Promoters Fund | 2,25,00,00,000 | 2,25,00,00,000 |
| 2.Reserves & Surplus | 2,14,41,31,000 | 1,95,93,50,169 |
| 3.Perpetual Non-cumulative Preference Shares | | |
| 4.Innovative Perpetual Debt Instruments | | |
| 5.Capital reserves representing surplus arising out of sale proceeds of assets | | |
| 6. Deductions as per NBS 7 | | |
| (a) Accumulated balance of loss | | |
| (b) Deffered Tax Asset (Net) | (94,81,868) | (1,41,04,394) |
| (c) Other Intagible Asset | | |
| TOTAL TIER 1 CAPITAL | 4,38,46,49,132 | 4,19,52,45,775 |
| TIER 2 CAPITAL | | |
| 1.Revaluation Reserve | 1,57,50,000 | 1,57,50,000 |
| 2.General Provision & Loss Reserve | | |
| 3.Hybrid debt capital instruments | | |
| 4.Subordinated debt | 1,25,21,81,000 | 1,20,45,000 |
| 5.Investment Reserve Account | | |
| 6.General Provisions on Standard Assets | 4,28,80,818 | 4,63,12,595 |
| TOTAL TIER 2 CAPITAL | 1,31,08,11,818 | 7,41,07,595 |
| | | |
| TOTAL CAPITAL FUND | 5,69,54,60,950 | 4,26,93,53,370 |
| Risk Weighted Assets | | |
| 100% RISK | | |
| 1.Fixed Assets | 1,54,44,33,817 | 1,54,47,79,887 |
| 2.Investments | 3,73,41,739 | 3,72,78,864 |
| 3.Loans & Advances | 18,10,69,36,006 | 18,90,20,53,092 |
| 4.Other Current Assets | 9,95,78,976 | 6,82,28,105 |
| TOTAL Risk Weighted Assets | 19,78,82,90,538 | 20,55,23,39,948 |
| TIER 1 CAPITAL To Risk Weighted Assets | 22.16% | 20.41% |
| TIER 2 CAPITAL To Risk Weighted Assets | 6.62% | 0.36% |
| CRAR | 28.78% | 20.77% |

CRAR = (TOTAL CAPITAL FUND/ TOTAL Risk Weighted Assets) *100

SIGNIFICANT ACCOUNTING POLICIES & NOTES TO FINANCIAL STATEMENTS

I. Background

Muthoottu Mini Financiers Limited was incorporated as a Private Limited Company on 18th March 1998 and was converted into a public Company on 27th November 2013. The Company is promoted by Dr. Roy M. Mathew, Dr. Nizzy Mathew and Mr. M. M. Mathew collectively operating under the Brand Name of 'Muthoottu Mini Group' which is in the business of lending money against the pledge of household used gold jewellery (gold loans). The group has diverse interests in the fields of Financial Services, Plantation, Real Estate, Foreign Exchange, Insurance distribution, Hospitality etc. The company has obtained certificate of registration from the Reserve Bank of India for carrying on the business of non Banking Financial Institutions on 13th April 2002 vide Regn. No. N-16.00175, which was renewed on 1st January 2014 pursuant to its conversion as a public limited company. The Company is presently classified as Systemically Important Non- Deposit Taking NBFC (NBFC-ND-SI).

II. Statement Of Significant Accounting Policies Adopted By The Company In The Preparation Of Financial Statements

A. Basis for preparation of Financial statements

The Financial statements have been prepared and presented under the historical cost convention on accrual basis of accounting, in accordance with Generally Accepted Accounting Principles (GAAP) in India which comprises of mandatory Accounting Standards as prescribed under section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014, except where otherwise stated, the accounting policies have been consistently applied.

B. Use of Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires making of estimates and assumptions by the management that affect the reported amounts of assets and liabilities of the financial statements and the reported amounts of the revenues and expenses during the reporting period. Differences between actual results and estimates are recognized in the period in which the results are known/materialized.

Current – non-current classification

All assets and liabilities are classified into current and non – current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- It is expected to be realised in, or is intended for sale or consumption in, the company's normal operating cycle.
- It is held primarily for the purpose of being traded.
- It is due to be settled within 12 months after the reporting date.
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies the following criteria:

- It is expected to be settled in the company's normal operating cycle.
- It is held primarily for the purpose of being traded:
- It is due to be settled within 12 months after the reporting date; or

- d. The company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of the liability that could, at the option of the counter party, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include the current portion of non current financial liabilities. All other liabilities are classified as non-current.

The provisions of Schedule III to the Companies Act 2013 have been applied for the classification of assets and liabilities for the period ended 31st March, 2015.

C. Fixed Assets

Fixed assets except land are stated at cost of acquisition or construction less accumulated depreciation. A portion of the land has been revalued based on the valuation made by approved external valuer during the financial year 2012-13. The cost of fixed assets includes freight and other incidental expenditure related to the acquisition and installation of the respective assets. Borrowing costs directly attributable to acquisition or construction of qualifying assets are capitalized as part of the cost of the assets upto the date the asset is ready for the intended use or sale. Capital Work-in-progress represents assets purchased for branches yet to be opened at the end of the year.

D. Depreciation

Depreciation on Fixed Assets is provided on the basis of estimated useful life of assets as per Schedule II of the Companies Act, 2013.

E. Impairment of Assets

The carrying amount of Fixed Assets are reviewed at each balance sheet date to assess whether they are recorded in excess of their recoverable amounts, and where the carrying values exceed the estimated recoverable amounts, the assets are written down to their recoverable amount.

F. Revenues

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

Interest income on loans given is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable. Such interests, where installments are overdue in respect of non-performing assets are recognised on realisation basis. Any such income recognised and remaining unrealised after the installments become overdue with respect to non performing assets is reversed. Revenues from fee-based activities are recognised as and when services are rendered.

G. Segment Reporting

The Company primarily operates in the business of “Gold Loan” and its operations are in India. Since the Company has not operated in any other reportable segments, as per AS 17 ‘Segment Reporting’, no segment reporting is applicable.

H. Investments

Investments (Non-trade) are considered as long term and are stated at cost. Trade investments are recorded at the lower of cost and fair value determined either on an individual investment basis or by category of investment, but not on an overall (or global) basis.

I. Accounting for Taxes on Income

- i. Provision for current tax is made based on the liability computed in accordance with the relevant tax rates and tax laws.

- ii. Deferred tax is recognized on all timing differences between accounting income and taxable income for the year, and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

J. Earnings per Share

In accordance with Accounting Standard 20 (AS-20), 'Earnings per share' issued by the Institute of Chartered Accountants of India, basic and diluted earnings per share is computed using the weighted average number of equity shares outstanding during the period.

K. Accounting for Provisions

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

Gold Loan receivables NPA's are written off/ provided for as per management estimates, subject to minimum provision required as per Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions 2015, issued on 27th March 2015.

L. Debenture Redemption Reserve

Transfer to Debenture Redemption Reserve is as per Section 71(4) of the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014, notified by the Ministry of Corporate Affairs on 31st March, 2015, for NBFCs registered with the RBI under section 45 IA of the RBI (Amendment) act, 1997.

M. Contingent Liabilities and Contingent Assets

Contingent liabilities are not recognized in the financial statements, but are only shown by way of disclosures in notes to accounts. Contingent Assets are neither recognized nor disclosed in the financial statements.

N. Borrowing Costs and Debenture Issue Expenses

Issue expenses of public issue of debentures and borrowings costs for raising other long term borrowings are amortized over the period of debentures and over the tenure of loan on pro rata basis.

O. Short term Employee Benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as Short term employee benefits. These benefits include benefits like salaries, wages, short term compensated absence such as paid annual leave and sick leave. The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognized as an expense during the period.

P. Long term Employee Benefits

Defined contribution plans:

Defined contribution plan is adopted for Provident Fund scheme administered by Government for all eligible employees. The company's contribution to defined contribution plan is recognized in the Statement of Profit & Loss in the financial year to which they relate.

Defined Benefit Plan

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The company makes provision for gratuity, every year end, for employees who has completed at least one year of service

ADDITIONAL NOTES FORMING PART OF THE ACCOUNTS

1. The company is a depository participant with Central Depository Services Ltd (CDSL). Investor clients holding securities' depository accounts are activated, through our association with broker firms, which earn brokerage and commission income, from the said activity.
2. Term loans
 - i. The company has obtained sanction for term loan of Rs.45 Crores during FY 2012-13 for the purchase/ acquisition of fixed assets in new branches. The rupee term loan is secured on the fixed assets purchased and sundry deposits made in respective new branches. The term loan is availed at an interest rate of 250bps above the current base rate, and to be repaid in 10 equal half year installments with moratorium of 3 months from the date of first disbursement. The company availed a sum of 34.07 Crores on account of such loan and the outstanding liability as on 31/03/2015 comes to 24.64 Crores (PY Rs. 31.45 Crores). Out of this 18.40 Crores is included in long term borrowings and 6.24 Crores is included in other current liabilities as current maturities of long term borrowings.

ii. Vehicle Loan:

The company has availed the following vehicle loans. The sum is secured on the respective vehicle and is to be repaid in 60 equal monthly installments.

| | Name of the bank | Vehicle details | A/c no | Amount Due | |
|---|---------------------|-----------------|-----------|---------------|--------------|
| | | | | Within 1 year | After 1 year |
| 1 | HDFC, Kaloar | BMW X5 | 28520493 | 13,28,870 | 53,57,812 |
| 2 | HDFC Kaloar | Benz G350 | 23595362 | 17,97,228 | 37,95,152 |
| 3 | HDFC Kaloar | Benz E Class | 24740699 | 7,53,665 | 19,10,273 |
| 4 | HDFC Kaloar | Jaguar | 25297680 | 21,66,659 | 60,55,507 |
| 5 | HDFC Kaloar | Toyota Innova | 24849893 | 2,61,936 | 6,99,789 |
| 6 | SIB, Pathanamthitta | Range Rover | 316655261 | 57,60,000 | 92,67,801 |

3. Since the status regarding SSI units is not available, the particulars regarding the amount outstanding to SSI units are not available.

4.

| | | |
|----|---|-----|
| a) | Debts due by directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or Private companies respectively in which any director is a partner or a director or member | NIL |
| b) | Debts due from other companies under the same management | NIL |
| c) | The maximum amount due by directors or other officers | NIL |
| d) | Claims against the company not acknowledged as debts | NIL |
| e) | Estimated amounts of contracts remaining to be executed on capital account and not provided for | NIL |
| f) | Other money for which the company is contingently liable | NIL |

5. **Auditors' Remuneration (excluding Service Tax)**

| | Current Year | Previous Year |
|---------------------|--------------|---------------|
| For Statutory Audit | 12,00,000 | 5,00,000 |
| For Internal Audit | ----- | ----- |
| For Other matters | ----- | ----- |

6. Managerial Remuneration

| SI No | Name of the director | Current Year | Previous Year |
|-------|----------------------|--------------------|--------------------|
| 1. | ROY M MATHEW | 96,00,000 | 96,00,000 |
| 2. | NIZZY MATHEW | 26,00,000 | 24,00,000 |
| 3. | MATHEW MUTHOOTTU | 10,40,000 | 9,60,000 |
| | Total | 1,32,40,000 | 1,29,60,000 |

7. Deferred Taxes

The Company has provided deferred tax assets/liability in accordance with Accounting Standard -22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India. The detailed workings are given below.

| | Current Year | Previous Year |
|--|------------------|-------------------|
| Opening Balance | 141,04,394 | (59,98,965) |
| Created/(Reversed) during the year on account of Depreciation and Provision for Gratuity | (46,22,526) | 201,03,359 |
| Net Deferred Tax Asset/(Liability) | 94,81,868 | 141,04,394 |

8. CRAR (Capital to Risk Asset Ratio)

The company reports CRAR (Capital to Risk Asset Ratio) as per RBI guidelines. CRAR have been computed by dividing total of Tier-1 and Tier-2 capital by total of risk weighted asset.

| Particulars | As on 31/03/2015 |
|----------------------------|------------------|
| CRAR – Tier I Capital (%) | 22.16% |
| CRAR – Tier II Capital (%) | 6.62% |
| CRAR (%) | 28.78% |

9. Leases

The company has not taken nor let out any assets on financial lease. All operating lease agreements entered into by the company are cancellable in nature. The company has debited/ credited the lease rent paid/ received to the profit and loss statement. Therefore disclosure requirement of future minimum lease payment in respect of non operating lease as per AS 19 is not applicable to the company.

Lease rentals received for assets let out on operating lease Rs. 0 (Previous Year Rs.16,45,752) are recognised as income under the statement of profit and loss under the head other income and lease payments for assets taken on operating lease Rs. 26,87,89,358 (Previous Year Rs.23,74,15,718) are recognized as rent paid in the profit and Loss statement under the head other expenses

10. During the year provision for NPA and standard assets were created as per RBI Guidelines.

| Particulars | Provision for NPA | Contingent Provision for Standard Assets |
|------------------------------------|-------------------|--|
| Opening Balance | 2,72,88,299 | 4,63,12,595 |
| Created/(Reversed) during the year | 3,82,22,010 | (34,31,777) |
| Closing Balance | 6,55,10,309 | 4,28,80,818 |

11. The company is maintaining LTV (Loan to Value) within the maximum prescribed ratio of 75% of the securities as per RBI Guidelines in order to safeguard its position.

12. Secured Non Convertible Debentures

The Company had secured non- convertible debentures for a maturity period of up to 6 years with an outstanding of Rs. 5,22,01,34,651 (Previous year Rs. 13,87,36,37,981)

| Series | Period of issue | Redemption Period | Amount | Interest Rate |
|--------|-----------------------|-------------------|----------------|---------------|
| IV | 23/09/2010-03/11/2010 | 1 year to 6 years | 3,88,000 | 10.00 -13.25% |
| V | 04/11/2010-06/03/2011 | 1 year to 6 years | 58,69,000 | 10.00 -13.25% |
| VI | 07/03/2011-01/06/2011 | 1 year to 6 years | 1,01,85,000 | 11.00 -13.25% |
| VII | 02/06/2011-21/06/2011 | 1 year to 6 years | 6,06,86,000 | 11.50-13.75% |
| VIII | 22/06/2011-21/08/2011 | 1 year to 6 years | 13,71,09,000 | 11.50-13.75% |
| IX | 22/08/2011-15/11/2011 | 1 year to 6 years | 22,00,08,000 | 11.50-13.75% |
| X | 16/11/2011-08/12/2011 | 1 year to 6 years | 7,86,83,000 | 11.50- 18.18% |
| XI | 09/12/2011-09/01/2012 | 1 year to 6 years | 12,92,59,000 | 11.50- 18.18% |
| XII | 10/01/2012-25/03/2012 | 1 year to 6 years | 18,84,35,000 | 12.00- 18.18% |
| XIII | 26/03/2012-25/05/2012 | 1 year to 6 years | 60,18,33,000 | 12.50- 18.18% |
| XIV | 27/01/2012-31/03/2012 | 1 year to 6 years | 55,42,70,651 | 12.50- 18.18% |
| XV | 23/05/2012-28/09/2012 | 1 year to 6 years | 48,34,86,000 | 12.50- 18.18% |
| XVI | 29/09/2012-31/10/2012 | 1 year to 6 years | 60,94,15,000 | 12.50- 18.18% |
| XVII | 01/11/2012-14/03/2013 | 1 year to 6 years | 93,79,19,000 | 12.50- 18.18% |
| XVIII | 15/03/2013- | 1 year to 6 years | 1,20,25,89,000 | 12.00- 18.18% |

Out of the above Long Term borrowings, an amounts Rs.1,82,30,72,833 is included in current maturities and Rs. 339,70,61,818 is classified as term debt.

The company has raised an amount of Rs 3,97,69,51,000 (Secured) by way of public issue of NCDs during the year. The details are given below;

| Series | Period of issue | Redemption period | Amount | Interest Rate |
|--------|-------------------------|-----------------------|----------------|------------------|
| 2 | 11/07/2014 - 29/08/2014 | 500 days to 66 Months | 2,00,00,00,000 | 12% to 13.52% |
| 3 | 29/09/2014 – 31/10/2014 | 500 days to 66 Months | 1,97,69,51,000 | 11.50% to 13.43% |

13. Unsecured Debentures (Subordinated debt) raised during the year through public issue.

| Series | Redemption Period | Amount | Interest rate |
|--------|-------------------|--------------|------------------|
| 2 | 66 months | 49,62,99,000 | 13.29% to 13.43% |
| 3 | 66 months | 71,43,37,000 | 12.75% to 13.43% |

14. The company has made provision for Gratuity amounting to Rs. 2,65,56,813 for the current Financial Year (PY 1,33,46,900) .**15. Exposure to Real Estate Sector**

| | | Current Year | Previous Year |
|----|--|--------------|---------------|
| A. | Direct Exposure | NIL | NIL |
| | | | |
| | 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 Lakhs may be shown separately) | Nil | Nil |
| | | | |
| | ii. Commercial Real Estate Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multifamily 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; | Nil | Nil |
| | iii. Investments in Mortgage Backed Securities (MBS) and other securitized exposures | Nil | Nil |
| | a. Residential | Nil | Nil |
| | b. Commercial Real Estate | | |
| B. | Indirect Exposure Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs). | Nil | Nil |

16. Related party Transaction:**a)List of related parties and relationships**

| Name of the related party | Relationship |
|-----------------------------|--|
| Dr. Roy Mathew | Key Managerial Personnel(KMP) |
| Dr. Nizzy Mathew | |
| Dr. Mathew Muthoottu | |
| M/s Muthoottu Mini Builders | Entity in which KMP has significant influence. |

b) Transactions during the year with related parties;

| Particulars | Key Managerial Personnel (KMP) | Entity in which KMP has significant influence | Relatives of KMP |
|---------------------------|--------------------------------|---|------------------|
| Salary & Allowances | 1,32,40,000 | | -- |
| Travelling Expenses | 21,97,449 | | -- |
| Rent/ Maintenance charges | 55,99,000 | 1,38,12,000 | -- |
| Rent Advance given | NIL | | -- |
| Loans granted | NIL | | -- |

17. List of statutory dues

| Nature of dues | Amount (Rs.) | Period to which the amount relates | Forum where dispute is pending |
|----------------|--------------|------------------------------------|--------------------------------|
| Nil | Nil | Nil | Nil |

18. Prior period items in the statement of Profit and loss represents;

| Particulars | Amount |
|--|------------------|
| Depreciation charged on building | (23,288) |
| Interest Expenses of NCD Public Issue I | 9,32,202 |
| Expenses related with NCD Public Issue I | 1,36,474 |
| Total | 10,45,388 |

19. The Company has not given any guarantee for loans taken by others from banks or financial institutions.

20. Gold and other loan portfolio classification and provision for non performing assets (As per RBI Prudential Norms)

| Particulars | Gross Loan Outstanding | Provision for Assets | Net Loan Outstanding |
|--------------------|------------------------|----------------------|------------------------|
| I.Secured Loans | | | |
| A) Gold Loan | | | |
| Standard Asset* | 17,25,87,12,762 | 4,24,48,111 | 17,21,62,64,651 |
| Sub Standard Asset | - | - | - |
| Doubtful Asset | 32,75,51,544 | 6,55,10,309 | 26,20,41,235 |
| Loss Asset | - | - | - |
| TOTAL – A | 17,58,62,64,306 | 10,79,58,420 | 17,47,83,05,886 |
| B) Other Loan | | | |
| Standard Asset | 2,40,27,222 | 60,068 | 2,39,67,154 |
| Sub Standard Asset | - | - | - |
| Doubtful Asset | - | - | - |
| Loss Asset | - | - | - |
| TOTAL – B | 2,40,27,222 | 60,068 | 2,39,67,154 |
| TOTAL (A+B) | 17,61,02,91,528 | 10,80,18,488 | 17,50,22,73,040 |

| | | | | |
|---------------------|--------------------|------------------------|---------------------|------------------------|
| II. Unsecured Loan | | | | |
| A) Other Loan | | | | |
| | Standard Asset | 14,90,55,645 | 3,72,639 | 14,86,83,006 |
| | Sub Standard Asset | - | - | - |
| | Doubtful Asset | - | - | - |
| | Loss Asset | - | - | - |
| TOTAL – A | | 14,90,66,645 | 3,72,639 | 14,86,94,006 |
| Total (I+II) | | 17,75,93,47,173 | 10,83,91,127 | 17,65,09,56,046 |

*Includes interest receivable

21. Additional disclosures as required by the Reserve Bank of India:

| Sl. No | Number of Loan Accounts | Principal Amount outstanding at the dates of auctions | Interest Amount outstanding at the dates of auctions | Total (A+B) | Value fetched |
|--------|-------------------------|---|--|-------------|---------------|
| 1 | 1,394 | 3,87,04,090 | 8,44,596 | 3,95,48,686 | 3,95,48,686 |

21.2 Capital

(Amount in Rs. crore)

| Particulars | Current Year | Previous Year |
|---|--------------|---------------|
| i) CRAR (%) | 28.78 | 20.77 |
| ii) CRAR - Tier I Capital (%) | 22.16 | 20.14 |
| iii) CRAR - Tier II Capital (%) | 6.62 | 0.36 |
| iv) Amount of subordinated debt raised as Tier-II capital | 125.22 | 1.20 |
| v) Amount raised by issue of Perpetual Debt Instruments | Nil | Nil |

21.3 Investments

(Amount in Rs. crore)

| (1) | Value of Investments | Current Year | Previous Year |
|-------|--|--------------|---------------|
| (i) | Gross Value of Investments | 3.73 | 3.73 |
| | a) In India | 3.73 | 3.73 |
| | b) Outside India, | Nil | Nil |
| (ii) | Provisions for Depreciation | Nil | Nil |
| | a) In India | Nil | Nil |
| | b) Outside India, | Nil | Nil |
| (iii) | Net Value of Investments | 3.73 | 3.73 |
| | a) In India | Nil | Nil |
| | b) Outside India, | Nil | Nil |
| (2) | Movement of provisions held towards depreciation on investments. | Nil | Nil |
| (i) | Opening balance | Nil | Nil |
| (ii) | Add : Provisions made during the year | Nil | Nil |
| (iii) | Less : Write-off / write-back of excess provisions during the year | Nil | Nil |
| (iv) | Closing balance | Nil | Nil |

21.4 Asset Liability Management Maturity pattern of certain items of Assets and Liabilities

| | Up to 30/31 days | Over 1 month upto 2 Month | Over 2 months upto 3 months | Over 3 month & up to 6 month | Over 6 Month & up to 1 year | Over 1 year & up to 3 years | Over 3 years & up to 5 years | Over 5 years | Total |
|-------------|------------------------|------------------------------------|--------------------------------------|---------------------------------------|--------------------------------------|--------------------------------------|---------------------------------------|-----------------|----------|
| Deposits | | | | | | | | | |
| Advances | 300 | 296 | 270.85 | 274.84 | 312 | 321.24 | - | - | 1,774.93 |
| Investments | - | - | - | - | - | - | - | 4.13 | 4.13 |

21.5 Concentration of Advances

| | |
|--|-------|
| Total Advances to twenty largest borrowers | 33.79 |
| Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC | 1.92 |

21.6 Movement of NPAs
(Amount in Rs. crore)

| | Particulars | Current Year | Previous Year |
|-------|---|--------------|---------------|
| (i) | Net NPAs to Net Advances (%) | 1.55% | .61% |
| (ii) | Movement of NPAs (Gross) | | |
| | a) Opening balance | 13.29 | 6.60 |
| | b) Additions during the year | 19.47 | 6.69 |
| | c) Reductions during the year | - | - |
| | d) Closing balance | 32.76 | 13.29 |
| (iii) | Movement of Net NPAs | | |
| | a) Opening balance | 10.56 | 5.26 |
| | b) Additions during the year | 15.64 | 5.3 |
| | c) Reductions during the year | - | - |
| | d) Closing balance | 26.20 | 10.56 |
| (iv) | Movement of provisions for NPAs (excluding provisions on standard assets) | | |
| | a) Opening balance | 2.72 | 1.33 |
| | b) Provisions made during the year | - | - |
| | c) Write-off / write-back of excess provisions | - | - |
| | d) Closing balance | 6.55 | 2.72 |

22. Previous year figures

Previous year figures have been regrouped/reclassified, where necessary, to conform current year's classification.

For Vishnu Rajendran & Co.
Chartered Accountants
FRN.004741S

For Muthoottu Mini Financiers Limited

Roy M Mathew (DIN 01680866)
Managing Director

Mathew Muthoottu (DIN: 01786534)
Director

P.A. Joseph M.Sc, FCA
Partner
M.No.201101

Anoop Thomas Jacob
Chief Financial Officer

K S Smitha
Company Secretary

Place : Kochi
Date : 30 May 2015