

ANNUAL REPORT

2015-2016



Muthoottu Mini
financiers ltd.

▪ Fulfill Your Dreams ▪ Support your family ▪ Strengthen the Nation

STANDS BY
YOU ALWAYS



M. MATHEW MUTHOOTTU

KOZHENCHERRY
 (Guiding light of Muthoottu)

DIRECTORS

DR. NIZZY MATHEW	WHOLE TIME DIRECTOR
MR. MATHEW MUTHOOTTU	WHOLE TIME DIRECTOR
MRS. PHILOMINA THOMAS	INDEPENDANT DIRECTOR
MR. THOMAS CHERIAN	INDEPENDANT DIRECTOR
MR. MAMMAN MATHEWS	NON EXECUTIVE DIRECTOR

CHIEF FINANCIAL OFFICER

ANN MARY GEORGE

COMPANY SECRETARY

K.S. SMITHA

STATUTORY AUDITORS

VISHNU RAJENDRAN & CO
 CHARTERED ACCOUNTANTS
 3RD FLOOR, CSI COMMERCIAL CENTRE
 BAKER JUNCTION, P.B. NO: 227,
 KOTTAYAM - 686 001

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
 BRANDRA KURLA COMPLEX, BANDRA (EAST)
 MUMBAI - 400051, MAHARASHTRA

BANKERS

- A. SOUTH INDIAN BANK
- B. FEDERAL BANK
- C. STATE BANK OF TRAVANCORE
- D. DHANALAXMI BANK
- E. STATE BANK OF INDIA
- F. ANDHRA BANK
- G. INDUS IND BANK

REGISTERED OFFICE

2/994, MUTHOOTTU BUILDINGS
 KOZHENCHERRY, PATHANAMTHITTA-689645

CORPORATE OFFICE

MM TECH TOWERS, KALOOR, KOCHI - 68201

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DIRECTORS REPORT

The Members,

Muthoottu Mini Financiers Limited

Your Directors have pleasure in presenting the Eighteenth Annual Report on the business and operations of your Company together with the audited accounts for the Financial Year ended March 31, 2016.

Financial Performance

FINANCIAL RESULTS

(Rs. In lakhs)

	2015-2016	2014-2015
Total Revenue	39114	35271
Total Expenditure	35592	32285
Profit before Tax	3522	2986
Add: Prior Period items (Net)	(1609)	(10)
Tax Expense	935	1128
Profit for the period	978	1848
Balance brought forward from previous year	-	10541
Total Surplus available for appropriations	978	12389
Surplus appropriated as follows:		
■ Transfer to Special Reserve	196	370
■ Transfer to Debenture Reserve	782	12019
Surplus Carried Forward	-	-

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 2015-16.

Capital Adequacy

Your Company is well capitalized and has a capital adequacy ratio (Capital to risk weighted asset ratio- CRAR) of 29.01% as

on March 31, 2016. This is as 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 2015-16 has been mainly from Public issue of Secured and Unsecured Redeemable Non Convertible Debentures (NCDs). In the year under review, your Company raised Rs. 721.35 Cr. (FY 2014-15- Rs. 518.76 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. 20.55 Cr through Private Placement.

The Company has also raised funds by subordinate debt this year. As on 31/03/2016, an amount of Rs.98.78 Crores has been raised as subordinated Debt. The objective of the issue is to augment the long term resources of the company for expansion of its existing business and diversification and exploration of new avenues in lending for the Company, which will require sufficient long term funds both in the form of capital and debt funds. Part of the issue proceeds will also be utilized for deployment in commercially viable projects for purchase and also using the existing real estates /commercial properties of the group.

Additionally your Company enjoys credit facilities from 7 banks.

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 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 six public issues outstanding, our Company has not created the prescribed adequate DRR. Current balance in the DRR is 10.73% of the amounts outstanding (Rs.1193 Crores) as at March 31, 2016.

Ratings

The Credit Analysis & Research Limited (CARE) has rated us BBB- for our debt instruments and long term bank facilities. India Ratings and Research Private Limited (IND- RA), has also rated us BBB for our debt instruments

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 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.

An amount of Rs. 23 lakhs has been spent towards CSR in the current Financial Year. The total amount to be spent for the Financial Year is Rs. 89 lakhs and an amount of Rs. 66 lakhs remains unspent. Taking into consideration MCA General Circular No. 01/2016 dated 12th January 2016, the Board has taken a decision to carry forward the unspent amount of CSR amounting to Rs. 66 lakhs to the next financial year. This Unspent amount will be spent over and above the amount of CSR to be spent for the financial year 2016-17.

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 Five (5) Directors. The Board comprises two (2) Executive and two (2) Non-Executive and Independent Directors and one (1) Non executive Director. There are two women Directors in the Board , one of whom is an Independent Director.

Resignation:

Mr. K P Venugopal, non executive Director resigned w.e.f August 30, 2015. Mr. Mammen Mathews was appointed as a Non-Executive Director in the Annual General Meeting held on 30th September, 2015 .

Mr. Roy M Mathew resigned from his directorship and position of Managing Director of the company with effect from March 1, 2016.

Appointment:

Mr. Mammen Mathews was appointed as non executive Director of the Company by the members at the Annual General Meeting held on 30th September 2015. The Board of Directors in their meeting held on 30/05/2016 have appointed Mr. Mathew Muthoottu as Managing Director, subject to ratification by members at the ensuing Annual General Meeting of the Company

Directors retiring by rotation:

In terms of Section 152(6) of the Companies Act 2013 and Articles of Association of the Company, Mr. 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 2015-16 were held on 07/04/2015, 30/04/2015, 11/05/2015, 30/05/2015, 10/06/2015, 30/06/2015, 10/07/2015, 31/07/2015, 31/08/2015, 03/10/2015, 26/10/2015, 12/11/2015, 16/12/2015 and 07/03/2016.

Committees of the Board

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 March 7, 2016. The Committee currently comprises 3 Directors.

1. Mr. Thomas Cherian -Non- Executive & Independent Director (Chairperson of the Committee)
2. Mrs. Philomina Thomas -Non- Executive & Independent Director
3. Mrs. Nizzy Mathew – Whole Time Director

The terms of reference of the Audit Committee, *inter alia*, include:

- 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;
- 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;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements before submission to our Board for approval, with particular reference to:

- 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;
 - Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgment by management;
 - Significant adjustments made in the financial statements arising out of audit findings;
 - Compliance with listing and other legal requirements relating to financial statements;
 - Disclosure of any related party transactions; and
 - Qualifications in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to our Board for approval;
 - Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/Prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
 - Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 - 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;
 - Reviewing management letters / letters of internal control weaknesses issued by the statutory auditors;
 - Discussion with internal auditors on any significant findings and follow up there on;
 - 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;

- 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;
- 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;
- To review the functioning of the Whistle Blower mechanism, as adopted by the Company;
- 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
- 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:

- 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;
- To investigate any activity within its terms of reference;
- To seek information from any employee;
- To obtain outside legal or other professional advice; and
- To secure attendance of outsiders with relevant expertise, if it considers necessary.
- Audit Committee shall mandatorily review the following information:
 - Management discussion and analysis of financial condition and results of operations;
 - Statement of significant related party transactions (as defined by the audit committee), submitted by management;

- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses;
- The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee; and
- The Financial statements

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 November 12, 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. Mammen Mathews - Non- Executive Director

- Terms of reference of the Nomination and Remuneration Committee include the following:
 - 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.
 - 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.
- Ensure that:
 - The level and composition of remuneration is reasonable and sufficient to attract, retained motivate directors of the quality required to run the company successfully;
 - Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - 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.

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 was reconstituted on March 7, 2016, consists the following members:

- Mr. Mathew Muthoottu - Managing Director.
- Mr. Thomas Cherian -Chairman Non- Executive & Independent Director.
- Mrs. Philomina Thomas - Non- Executive & Independent Director.

Terms of reference of the Stakeholders Relationship Committee include the following:

- Efficient transfer of shares including review of cases for refusal of transfer / transmission of shares and debentures;
- 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.;
- 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;
- Allotment and listing of shares/Debentures;
- Review of cases for refusal of transfer / transmission of shares and debentures;
- Reference to statutory and regulatory authorities regarding investor grievances;
- Ensure proper and timely attendance and redressal of investor queries and grievances; and
- To do all such acts, things or deeds as may be necessary or incidental to the exercise of the above powers.

Corporate Social Responsibility Committee ("CSR Committee")

The CSR Committee has been constituted vide a board resolution dated April 10, 2014 and was reconstituted on March 7, 2016 as per the provisions of Companies Act,

2013 with following members:

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

Terms of reference of the CSR Committee include the following:

- 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;
- To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the company;
- To monitor the CSR policy of the Company from time to time;
- 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;
- Formulate CSR Policy and recommend the same to the Board of Directors of the Company for approval;
- Recommend CSR activities as stated under Schedule VII of the Act;
- 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.
- Recommend the CSR Budget;
- 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;
- Create transparent monitoring mechanism for implementation of CSR Initiatives in India;
- Submit the Reports to the Board in respect of the CSR activities undertaken by the Company;
- Monitor CSR Policy from time to time; and
- Authorize executives of the Company to attend the CSR Committee Meetings

The Committee comprises the following Directors:

- Mr. Mathew Muthoottu - Managing Director.
- Mrs. Nizzy Mathew -Whole time Director.
- Mr. Thomas Cherian-Independent Director.

Debenture Committee

The Debenture Committee was constituted by a board resolution dated December 10, 2013 was reconstituted on March 7, 2016. The Committee currently comprises of three Directors.

- Mr. Mathew Muthoottu - Managing Director.
- Mrs. Nizzy Mathew - Wholetime Director.
- Mr. Thomas Cherian -Independent Director

Terms of reference of the Debenture Committee include the following:

- 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.;
- To approve and make changes to the Prospectus;
- To approve the final Prospectus, including any corrigendum, amendments supplements thereto, and the issue thereof;
- To issue and allot the Debentures;
- 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.

5. Risk Management Committee

The Risk Management Committee was constituted vide a board resolution dated April 22, 2013 and reconstituted on April 7, 2015. Further the committee was reconstituted on March 7, 2016 as Board Committee and presently the committee consists of the following members;

1. Mr. Mathew Muthoottu - Managing Director.
2. Mrs. Nizzy Mathew -Whole time Director.
3. Mr. Thomas Cherian-Independent Director

Terms of reference

- To assist the Board in the execution of its risk management accountabilities, the Committee shall be charged with the following general responsibilities:

- 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;

- 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;

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;

- 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;

- 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;

- 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;

- 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;

- To monitor external developments relating to the practice of corporate accountability and the reporting of specifically associated risk, including emerging and prospective impacts;

- 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.

- To review the risk bearing capacity of MMFL in light of its reserves, insurance coverage or other such financial structures

Management Committees:

▪ Investment Committee

The Investment Committee was constituted by a board resolution dated April 24, 2009 was reconstituted on March 7, 2016.

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:

- Mr. Mathew Muthoottu - Managing Director.
- Mr. Thomas Cherian - Independent Director
- Mr. K. George Varghese - Chief Operating Officer.
- Mrs. Ann Mary George - Chief Financial Officer.

2. Asset Liability Management Committee

The Asset Liability Management Committee was constituted by a board resolution dated April 22, 2012 was reconstituted on March 7, 2016. The Asset Liability Management Committee comprises of:

- Mr. Mathew Muthoottu - Managing Director
- Mr. Thomas Cherian - Independent Director
- Mr. K. George Varghese - Chief Operating Officer
- Mrs. Ann Mary George - Chief Financial Officer
- Mr. Samuel Mathew - Group Finance Manager

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

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

- To monitor the risk levels of the Company;
- To review the results of and progress in implementation of the decisions;
- 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;
- To ensure that all activities are within the overall regulatory framework and government regulation;
- 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;
- To review and assess the management of funding undertaken by Company and formulate appropriate actions;
- 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;
- To consider the significance of ALM of any changes in customer behavior and formulate appropriate actions;
- To consider, if appropriate, the composition of the Company's capital structure, taking account of future regulatory requirements and rating agency views.

Key Managerial Personnel

Mr. Mathew Muthoottu -Managing Director, Mrs. Nizzy Mathew – Whole time Director, Mrs. Ann Mary George - Chief Financial Officer and Mrs. K S Smitha - Company secretary are the Key Managerial personnel of the company.

Mr. Roy M Mathew – Managing Director resigned from the Company effective from 1st March 2016 and Mr. Anoop Thomas Jacob – Chief Financial Officer resigned from the Company effective from 2nd February 2016. The Board of Directors of the Company at its meeting held on 30th May 2016 has appointed Mr. Mathew Muthoottu as the Managing Director and Mrs. Ann Mary George as the Chief Financial Officer 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.

- That in preparation of the annual financial statements for the year ended March 31, 2016 the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
- 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, 2016 and of the profit of the Company for the said year.
- 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.
- That the annual accounts have been prepared on a going concern basis.
- 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
- 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. 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.

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

The company has entered in to a related party transaction with its promoters/ Directors. For which necessary approvals have been taken in the meeting of Board of Directors and wherever necessary in the meeting of the Members of the company.

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.

Purchase of fixed assets:

To ensure business continuity and to carry out business in more effective manner, the Company has acquired fixed assets for the functioning of the branches and corporate office. The properties belong to the directors/promoters of the company for which Related Party Transactions approval has been obtained from shareholders in the EGM held on 15/12/2015.

The total value of the assets is 219 crores and an advance of Rs. 200 crores has already been paid towards the same. As advised by the Audit Committee it has also been decided to capitalize the fixed assets and include the same in total tangible assets for the Financial Year 2015-16 .

Statutory Auditors

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 up to the financial year 2017 – 18.

The appointment of M/s Vishnu Rajendran & Co, Chartered Accountants, as Statutory Auditors of the Company was made at the Annual general Meeting of the Company held on 30/09/2015.

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 2015-16.

The Report of the Secretarial Auditor in Form MR-3 is annexed as 'Annexure 3-1'.

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.

Three frauds, as detailed hereunder were reported to Reserve Bank of India during the period 01.04.2015 to 31.03.2016.

SL NO	BRANCH	DATE OF DETECTION	AMOUNT (lakh)	Name of the Principal party	MODUS OPERANDI & ACTION TAKEN	RECOVERY (LAKH)
1	SHENKOTTAI	7/7/2015	42.95	Mr.C. Shankar	BM absconded with cash of Rs.1.00 lakh and 123 GL packets with total advance of Rs.41.95 lakh FIR filed (Cr.No: 70/2015)	5.00
2	DWARAKA	20/11/2015	30.42	M/S Rahul and Vinodkumar	Pledged Spurious Gold in the Branch in fictitious names. Audit staff and BM were involved.	30.423
3	NETHAJI ROAD	02/01/2016	54.68	S.Nagarajan	BM and staff had procured spurious jewellery and pledged. Connivance of some others is suspected, which is being investigated by Police. Negligence by Audit staff is also suspected	Nil

Details of Auctions Held During the Year 2015-16

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

Year	Number of Loan Accounts	Principal Amount outstanding at the dates of auctions (A) (Rs.in lakhs)	Interest Amount outstanding at the dates of auctions (B) (Rs.in lakhs)	Total (A+B) (Rs.in lakhs)	Value fetched (Rs.in lakhs)
2015-16	36034	13605.65	4566.11	18171.76	15328.14

Note:

No sister concerns participated in the auctions during the year ended March 31, 2016

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 has a policy in place on appointment and remuneration including inter alia criteria for determining qualifications, positive attributes, independence of a director and other matters provided under Section 178(3) of the Companies Act 2013.

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.

Board Reply to qualifications in the Secretarial Audit Report and observations in Audit Report:

The company has allotted the privately placed debentures with the prescribed time, but is yet to file PAS3 and CHG-9 with the Registrar of Companies. Steps have already been taken to file the same with the prescribed late fee.

The company is publishing the required information relevant to debenture security holders in the company's website. An e-mail collection drive is being initiated at our branches to ensure that soft copies are also individually mailed to the debenture holders. The company is in the process of re-designing the website and all the statutory disclosures will be made in the website at the earliest. The annual report for the financial year 2015-16 has made detail classification of assets and also included details of debentures which is inadvertently omitted in the previous Annual report.

The report of internal auditors shall henceforth also be presented to the Board of Directors in addition to the Audit Committee.

As regards Auditors observations on note No.13 and note No.16, your Directors would like to inform you that the company issued subordinated debt for the long term fund requirements of the company. Part of the issue proceeds will also be utilized for deployment in commercially viable projects for purchase, and effectively use the existing real estates /commercial properties of the group. We expect the Company to exploit new avenues of business and to do well in the years to come. The Company has purchased fixed assets for the functioning of the branches and corporate office, from the promoters. These premises were already leased to the Company years ago, for carrying out the business and the Company had built its goodwill over the period of time. To ensure continued patronage of its customers and retain the asset base, it was decided to acquire the properties. The decision to capitalize the assets was taken invoking provisions of Section 53A of the Transfer of Property Act as Rs. 200 crores, being a substantial amount was paid as advance against the purchase consideration of 219 crores.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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. 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, 2016 comprised of 5,48,854 gold loan accounts aggregating to Rs. 1,90,555.67 lacs which is 99.60% of our total loans and advances as on that date. We, as on March 31, 2016 have a network of 967 branches spread in the states of Kerala, Tamil Nadu, Karnataka, Andhra Pradesh, Telangana, Delhi, Goa, Haryana, Uttar Pradesh, Pondicherry and Maharashtra and we employ 2750 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. Muthoot 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.

MM Eze Daily

A scheme which attracts the traders and daily income segments of the society. Minimum loan amount is fixed Rs. 10000 and maximum as Rs. 50000. USP of this product is that the customers can repay the loan in daily installment. The borrower can close the loan by remitting daily installments in 99 working days).

MM Premier Loan

MM Premier Loan is best suited for customers who require

higher loan amount and are very sensitive in interest rates. Targeted segment will be the traders, business people, people engaged in constructions and all those people who require higher loan amount with enough gold jewels in their hand. HNIs needs are very different as compared to normal customers. HNIs may need fund for business, construction, trading and all other higher fund requirement activities.

BUSINESS INITIATIVES

- International Money Transfer Business – We have entered into corporate agreements with Youfirst Money Express (P) Ltd for **Western Union services** / with UAE Exchange & Financial Services Ltd for **Xpress Money services** / with Instant Global Money Transfer (P) Ltd for **TransFast** services/ with Wall Street Finance Ltd for **Instant Cash** services / with BFC Forex & Financial Services (P) Ltd for **EzRemit** services / with UAE Exchange & Financial Services Ltd for **MoneyGram** services.
- Insurance Business - With a view to expand our regular fee and commission based income, we have finalized corporate agency agreements in the Life/ General/ Health Insurance. Our Company recently procured the new 2016 registration License with the IRDA, to act as a corporate agent for procuring and soliciting insurance business both in the Life insurance and General insurance as well as Health Insurance.

For the Life Insurance business, we have tied up with LIC/ HDFC Life / Reliance Life.

For the General Insurance business, we have tied up with Liberty Videocon General / Reliance General / Tata AIG General.

For the Health Insurance business, we have tied up with Star Health/ TTK Signa Health

- DP Services – We have 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 branche network. Now we have also become a distributor for Mutual Funds as per the guidelines of SEBI, to our customers through this DP services division.
- Broking Services – We have 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 Exchange's activities on its behalf, for our existing and new clients through selected branches and regional offices.

- Domestic Money Transfer Services – We have entered into a corporate tie-up with **Oxigen Services India (P) Ltd Co.** through which we are able to Transfer money into customers account/ Pay utility bills / do recharges of pre-paid mobiles and DTH services for our customers across India.
- Forex services – We have applied for our FFMC License from **RBI** to do Foreign Exchange services for our existing and new clients through selected branches and regional offices.
- Travel & Tour Services – We have entered into a corporate tie-up with **Akbar Holidays (P) Ltd.** through which we are able to provide Travel services and Tour packages for our customers across India.

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, 2016, your Company had 2750 Employees in the organization.

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

Mathew Muthoottu
Managing Director
DIN:01786534

Nizzy Mathew
Whole Time Director
DIN:01680739

ANNEXURE-1

CSR Reporting for Financial Year 2015-16

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:

- Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water
- Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects
- 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
- 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)
- 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
- Measures for the benefit of armed forces veterans, war widows and their dependents
- Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports
- 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
- Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government.
- Rural Development projects and Slum Area Development on areas declared by central/state Govt/ as slum areas.

Composition of the CSR Committee:

- Mr. Mathew Muthoottu - Managing Director
- Mrs. Nizzy Mathew - Whole time Director
- 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)
2012-13	70,21,13,829
2013-14	44,11,26,412
2014-15	19,27,97,656

- Prescribed CSR Expenditure (two percent (2%) of the average net profits Rs. 89,06,919/-
- Details of CSR spend for the financial year: As detailed in table hereunder
 - Total amount spent for the financial year: Rs. 22,94,653/-
 - Amount unspent, if any: Rs. 66,12,266/-
 - Manner in which the amounts were spent during the financial year is detailed below

SI No	CSR project 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.	Cooj mental Health Foundation	Promoting education, including special education for differently abled.	Goa	1,00,000	1,00,000		Direct
2.	Gothuruth Muziris Heritage Development & Charitable Society	Health care	Kerala	4,00,000	4,00,000		Direct
3.	Prathyasha Foundation	Uplifting differently abled	Kerala	5,00,000	5,00,000		Direct
4.	Parimala Mar Gregorios Memorial Charitable Trust	Health care	Kerala	3,00,000	3,00,000		Direct
5.	Distribution of Education kits- School – text books, bags etc	Promoting Education		9,94,653	9,94,653		Direct
		TOTAL		22,94,653	22,94,653		

***The Board decided to carry forward the unspent amount Rs. 66,12,266 to the next financial year.**

ANNEXURE-II

FORM NO. AOC -2

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

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

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

SL. No.	Particulars	Details (1)	Details (2)	Details (3)
a)	Name (s) of the related party & nature of relationship	Roy M Mathew	MM Builders	Roy M Mathew
b)	Nature of contracts/ arrangements/ transaction	Rent paid	Rent paid	Purchase of Fixed Assets
c)	Duration of the contracts/arrangements/ transaction Salient terms of the	For various terms from 1 year to 3 years	Three years commencing from 1/04/14.	-
d)	contracts or arrangements or transaction including the value, if any	Rs. 39.35 lakhs	Rs. 107.82 lakhs	Rs. 21,900 Lakhs. (9 properties)
e)	Date of approval by the Board	As and when the requirement arises. All ongoing contracts	12/11/15	12/11/15*
f)	Amount paid as advances, if any	Nil	Nil	Rs.20000 Lakhs

*Approval by members at EGM held on 15/12/2015

Your Directors draw attention of the members to Note 16&17 to the financial statement which sets out related party disclosures

ANNEXURE-3

FORM NO. AOC -2

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016

[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, 2016 ('Audit Period') complied with 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, 2016, as per the provisions of:

- The Companies Act, 2013 (the Act) and the rules made there under;
- The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under to the extent of its applicability;
- The Depositories Act, 1996 and the Regulations and Bye-laws framed there under to the extent of its applicability;
- 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
- The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent of its applicability:-
 - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
 - The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
 - 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;

- The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and
- The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998

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

- Secretarial Standards issued by The Institute of Company Secretaries of India
- The Debt Listing Agreements entered into by the Company with Stock Exchanges;
- 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 complied with the provisions of the above mentioned Acts, Rules, Regulations, Guidelines, and Standards etc. with exception to the following:

The Company has not complied with provisions of the private placement of securities made during the year with respect to allotment and creation of charge with Registrar of Companies and not fully complied with the provisions of the Debt listing agreement with the Stock Exchanges with respect to sending information to the debt security holders. The Company has not fully complied with the requirements with regard to the compulsory disclosures of information in the Company's website. The Company has to make some disclosures in the annual report with respect to classification of assets. The Company has an internal audit system but the report of internal auditor was placed before the Audit Committee of Directors instead of the Board. The Company has not made disclosures in director's report as required under section 134 (f) of the Companies Act 2013. The Company has made investments in other body corporate but no share certificate is available for verification.

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

Adequate notice was given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were

sent at least seven days in advance and the Company has developed 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 adequate systems and processes 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 un secured non convertible debentures and non convertible secured and un secured debentures on private placements including subordinate debts in pursuance of the laws, rules, regulations, guidelines, etc, referred to above.

For Satheesh and Remesh, Company Secretaries

Sd/-
 N.Satheesh Kumar N
 CP No. 6607
 Date.30/05/2016

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

The Members,
Muthoottu Mini Financiers Limited
2/994 Muthoottu buildings, Kozhencherry
Pathanamtta, Kerala

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

- 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.
- 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.
- We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- 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.
- 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 : 30/05/2016

ANNEXURE - 4

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
as on financial year ended on 31.03.2016
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

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

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%

PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

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

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 the end of the year				% Change in year
	Demat	Physical Shares	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): Total Public Shareholding	NIL								
(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

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

SI No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year the year			% change in share holding during
		No of shares	% of total shares of the company	% of shares pledged/ encumbered to total shares	No of shares	% of total shares of the	% of shares pledged/ encumbered to total shares	
1	Roy M. Mathew	1,66,06,352	73.81	Nil	1,66,06,347	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 Ltd.	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

CHANGE IN PROMOTERS/PROMOTER GROUP SHAREHOLDING

SI 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)	5 shares transferred (one each) to individuals on 30/08/2015			
	At the end of the year	2,24,99,995	100	2,24,99,995	100

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

SI No		Shareholding at the end 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
	For Each of the Top 10 Shareholders				
	At the beginning of the year	NOT APPLICABLE.			
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons (e.g. allotment /transfer /bonus/ sweat equity etc)	% Shares held by promoters/promoter group for increase / decrease			
	At the end of the year (or on the date of separation, if separated during the year)				

SHAREHOLDING OF DIRECTORS & KMP

SI No		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
	Name of the Directors & KMP				
1.	Roy M Mathew- Managing Director	1,66,06,352	73.81	1,66,06,347	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.	Ann Mary George -CFO	0	0.00	0	0.00
5.	K S Smitha- Company Secretary	0	0.00	0	0.00

INDEBTEDNESS

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

	Secured Loans excluding deposits (Rs.in lakhs)	Unsecured Loans (Rs.in lakhs)	Deposits (Rs.) (Rs.in lakhs)	Total Indebtedness
Indebtedness at the beginning of the financial year		NIL		
i) Principal Amount	140880.76	12521.81		153402.57
ii) Interest due but not paid	-	-		-
lii) Interest accrued but not due	2480.47	240.04		2720.51
Total (i+ii+iii)	143361.23	12761.85		156123.08
Change in Indebtedness during the financial year				
Additions	76891.95	23582.93		90998.30
Reduction	62309.76	29.60		52862.78
Net Change	14582.19	23553.34		38135.52
Indebtedness at the end of the financial year				
i) Principal Amount	151723.15	33824.75		185547.90
ii) Interest due but not paid	-	-		-
iii) Interest accrued but not due	6220.27	2490.44		8710.71
Total (i+ii+iii)	157943.42	36315.19		194258.61

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. 88,00,000* Resigned w.e.f 01/03/2016	Rs. 24,00,000	Rs. 9,60,000	Rs. 1,21,60,000
	(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. 88,00,000	Rs. 24,00,000	Rs. 9,60,000	Rs. 1,21,60,000

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.No	Particulars of Remuneration	Name of the Directors			
1	Independent/Non-Executive Directors	Thomas Cherian	Philomina Thomas	KP Venugopal	Mammen Mathews
	(a) Fee for attending Board / committee meetings Rs.)	2,80,000	2,20,000	1,00,000	60,000
	(b) Commission				
	(c) Others, please specify				
	Total	2,80,000	2,20,000	1,00,000	60,000

C. Remuneration to KMP other than Directors

Sl.No	Particulars of Remuneration	Key Managerial Personnel		
	Gross Salary	Company Secretary	CFO	Total
1	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	Rs.13,96,482	Rs. 13,68,000	2764482
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	--	--	--
	(c) Profits in lieu of salary under section 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.13,96,482	Rs. 13,68,000	2764482

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Rbi imposed a penalty of five lakh vide order no DNBS.(T) No. 80/02.04.012/2015-16 dated July 16,2015, based on their findings in RBI Audit for Financial Year 2012-13 and the company paid the same.

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 joininga 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

Resigned effective from 01/03/2016

INDEPENDENT AUDITORS' REPORT

To the members of Muthoottu Mini Financiers Limited

We have audited the accompanying standalone financial statements of Muthoottu Mini Financiers Limited (hereinafter referred to as "the Company"), which comprises of the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (hereinafter referred to as "the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and the cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making 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 misstatements, 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 misstatements.

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

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, 2016 and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditors' Report) Order, 2016 (herein after referred to as "the Order") issued by the Central Government in exercise of the powers conferred by Sub-section (11) of Section 143 of the Companies Act, 2013, we give in "Annexure I" a statement on the matters specified in Paragraph 3 and 4 of the Order.
- As required by Non-Banking Financial Companies Auditors' Report (Reserve Bank) Direction, 2008,

we give in "Annexure II", a statement on the matters specified in the said direction.

- As required by Section 143(3) of the Act, we report that:
 - we have sought and obtained all the information and the explanation which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purpose of our audit have been extracted from the branch accounts forming part of books of accounts of the company;
 - the Company has an Internal Audit Department to conduct internal audit of its branches. We have extracted the information required for the purpose of our audit from the branch accounts forming part of the system of accounts maintained by the Company and produced for our verification;
 - the Company's Balance Sheet and Statement of Profit and Loss, dealt with in the Report are in agreement with the books of accounts and returns produced by the Company for our examination;
 - 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, except AS 15, Accounting for Employee Benefit Expenses with regard to provision for gratuity made without actuarial valuation;
 - in our opinion and as per our examination of the documents presented for our verification no financial transaction or matter has been identified as having an adverse effect on the functioning of the company, except the impact, if any, of the matters disclosed in Note No. 13 and Note No. 16 of Notes to Financial

Statements;

- on the basis of the written representations received from the directors as on March 31st, 2016 taken on record by the Board of Directors, none of the directors are disqualified as on March 31st, 2016 from being appointed as the directors in terms of Section 164(2) of the Act;
- With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure III"; and
- with respect to other matters included in the Auditors Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, we report that:
 - the Company has disclosed the impact of pending litigation on its financial position in its financial statements;
 - the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses to be provided for;
 - there were no amounts required to be transferred to the Investor Education and Protection Fund by the Company and so there is no requirement to report any delay.

For Vishnu Rajendran & Co

CA P.A. Joseph M.Sc, FCA
 Chartered Accountants
 M. No: 201101 (Partner)

Place: Kochi

Date: May 30th, 2016
 FRN: 004741S

ANNEXURE I

TO THE INDEPENDENT AUDITORS' REPORT

The "Annexure I" referred to in the Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended March 31st, 2016;

- (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner. In accordance with the programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company, except for addition to fixed assets "land and building" during the year. During the year the Company has paid Rs. 200 Crores to a related party as purchase consideration to acquire fixed assets "land and building", as per an agreement for purchase between the Company and the seller. The assets have been capitalized during the year as addition to fixed assets "land and building", and have been put to use.
- The Company is a Non-Banking Financial Company (ND-SI) and does not deal with the procurement or sale of any goods and has not held any inventory for the relevant financial year. Accordingly, no statement is required to be made under paragraph 3(ii) of the Order.
- According to the information and explanations provided to us, the Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, no statement is required to be made under 3(iii) of the Order.
- According to the information and explanations provided to us, the Company has no transaction during the financial year to which the provision of Section 185 and Section 186 of the Act applies. Accordingly, no statement is required to be made under paragraph 3(iv) of the Order.
- The Company has not accepted deposit from the public during the financial year. Accordingly, no statement is required to be made under paragraph 3(v) of the Order.
- The Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act. Therefore, no statement is required to be made under paragraph 3(vi) of the Order.
- (a) According to the information and the explanations provided 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, value added tax, sales tax, service 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 provided to us, no undisputed amounts payable in respect of provident fund, employees state insurance, income tax, value added tax, sales tax, service tax, cess and other material statutory dues were in arrears as at March 31st, 2016 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations provided to us, the following dues of income tax, have not been deposited by the Company on account of disputes pending

Amount In Lakhs	Forum where the dispute is pending
Rs 11.26 lakhs	Income Tax Appellate Tribunal, Kochi
Rs 206.7 lakhs	Commissioner of Income Tax (Appeals), Trivandrum
Rs. 338.6 lakhs	Commissioner of Income Tax (Appeals), Kottayam

- According to the information and explanations provided to us and based on the examination of records of the Company, the Company has not defaulted the repayment of any loan or borrowing to a financial institution, bank, government or debenture holders during the year.
- According to the information and explanations provided to us and based on the examination of records of the Company, the money raised by the way of further public offer, term loans and sub debts have been applied for the purpose for which they were obtained.
- According to the information and explanations provided to us, the following frauds on the Company by its employees have been noticed, involving pledge of spurious gold amounting to Rs.97.63 lakhs in Shenkottai and Nethaji Road branches of the Company.
- According to the information and explanations provided to us, the Company has provided managerial remuneration in accordance with Section 197 read with Schedule V of the Act.
- In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, no statement is required to be made under paragraph 3(xii) of the Order.
- According to the information and explanations given to us and based on the examination of the records of the Company, all transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by applicable accounting standards promulgated by ICAI.
- According to the information and explanation provided to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, no statement is required to be made under paragraph 3(xiv) of the Order.
- According to the information and explanation given to us and based on the examination of the records of the Company, the Company has not entered into non-cash transaction with the directors or person connected with him. Accordingly, no statement is required to be made under paragraph 3(xv) of the Order.
- The Company is required to be registered and is duly registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Vishnu Rajendran & Co

CA P.A. Joseph M.Sc, FCA
Chartered Accountants
M. No: 201101 (Partner)

Place: Kochi

Date: May 30th, 2016

FRN: 004741S

ANNEXURE II

THE INDEPENDENT AUDITORS' REPORT

The "Annexure II" referred to in the Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended March 31st, 2016;

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

- 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.
- The Company is entitled to continue to hold the Certificate of Registration in terms of its Asset/Income Pattern as on 31st March, 2016.
- 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, 2016.
- The Company is not classified as a NBFC- MFI as defined in Non- Banking Financial Company- Micro Finance Institution (Reserve Bank) Directions, 2011 with reference to the business carried on by it during the year ended 31st March, 2016.
- The Board of Directors of the company has passed a resolution for non-acceptance of Public Deposits.
- The Company has not accepted any public deposits during the year.
- 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 applicable to it in terms of Systemically Important Non-Banking Financial (Non-Deposit Accepting or holding) Companies Prudential Norms (Reserve Bank) Directions 2015.

- We further report that in respect of Systemically Important Non- Deposit taking NBFC as defined in Paragraph 2(1)(xxvi) of the Systemically Important Non-Banking Financial (Non-Deposit accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 we state that;
 - (a). Based on the examination of the documents produced for our verification , the Capital adequacy Ratio as disclosed in the return submitted to the Bank in form NBS- 7 has been correctly arrived at and such ratio is in compliance with the minimum CRAR prescribed by the Bank .
 - (b). The Company is yet to furnish to the RBI the annual statement of Capital Funds, risk assets exposures and risk asset ratio in NBS 7.

For Vishnu Rajendran& Co

CA P.A. Joseph M.Sc, FCA
 Chartered Accountants
 M. No: 201101(Partner)

Place: Kochi
 Date: May 30th, 2016
 FRN: 004741S

ANNEXURE III

TO THE INDEPENDENT AUDITORS' REPORT

T"Annexure III" - Report on the Internal Financial Controls System under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") read with Rule 10A of the Companies (Audit and Auditors) Rules, 2014 referred to in the Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended March 31st, 2016;

We have audited the internal financial controls over financial reporting of Muthoottu Mini Financiers Limited ("the Company") as of March 31st, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of Internal Financial Controls, both applicable to an audit of Internal Financial Controls and,

both issued by the Institute of Chartered Accountants of India. Those Standards and Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of the Management and Directors of the Company; and (3) provide reasonable assurance regarding

prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Control over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respect, an adequate internal financial controls system over financial

reporting and such internal financial controls over financial reporting were operating effectively as on March 31st, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Vishnu Rajendran & Co

CA P.A. Joseph M.Sc, FCA
Chartered Accountants
M. No: 201101 (Partner)

Place: Kochi

Date: May 30th, 2016

FRN: 004741S

MUTHOOTTU MINI FINANCIERS LIMITED

Muthoottu Buildings, Kozhencherry, Pathanamthitta - 689 641

BALANCE SHEET

(Rupees Lakhs)

Particulars	Note No.	As at 31/03/2016	As at 31/03/2015
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	A	22,500.00	22,500.00
(b) Reserves and Surplus	B	22,769.27	21,791.31
(2) Share application money pending allotment			
(3) Non-current Liabilities			
(a) Long-term borrowings	C	1,11,202.31	83,614.90
(b) Deferred tax liabilities (Net)		-	-
(c) Other Long-term Liabilities	D	-	-
(d) Long-term provisions	E	418.54	265.57
(4) Current Liabilities			
(a) Short-term borrowings	F	18,622.55	26,496.28
(b) Other Current liabilities	G	64,929.30	46,312.08
(c) Short Term Provisions	H	1,407.08	1,083.91
TOTAL		2,41,849.05	2,02,064.05
II. ASSETS			
(1) Non-current assets			
(a) Fixed Assets			
(i) Tangible Assets	I	31,373.48	14,629.82
(ii) Intangible Asset	J	-	-
(iii) Capital work-in-progress		857.09	814.51
(b) Non-current investments	K	373.42	373.42
(c) Deferred Tax assets (Net)		744.04	94.82
(d) Long term loans and advances	L	3,402.69	3,620.92
(e) Other non-current asset	M	-	-
(2) Current Assets			
(a) Current Investments	N	39.56	39.56
(b) Inventories	O	-	-
(c) Trade Receivables	P	-	-
(d) Cash and cash equivalents	Q	12,808.85	4,087.26
(e) Short-term loans and advances	R	1,91,319.41	1,77,593.47
(f) Other current assets	S	930.51	810.27
TOTAL		2,41,849.05	2,02,064.05

See accompanying notes to the Financial Statements

As per our report of even date attached

For Muthoottu Mini Financiers Limited

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

Mathew Muthoottu (DIN: 01786534)
Managing Director

Nizzy Mathew (DIN: 01680739)
Whole-time Director

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

Ann Mary George
Chief Financial Officer

K S Smitha
Company Secretary

Place : Kochi
Date : 30 May 2016

MUTHOOTTU MINI FINANCIERS LIMITED

Muthoottu Buildings, Kozhencherry, Pathanamthitta - 689 641

STATEMENT OF PROFIT AND LOSS

(Rupees Lakhs)

Particulars	Note No.	For the Year ended 31/03/2016	For the Year ended 31/03/2015
I Revenue from operations	T	39,105.35	35,253.90
II Other Income	U	9.04	17.14
III Total Revenue (I + II)		39,114.39	35,271.04
IV Expenses			
(a) Employee benefits expenses	V	5,805.46	5,343.54
(b) Finance Costs	W	21,515.77	19,701.34
(c) Depreciation and amortization expenses	X	2,202.34	1,436.74
(d) Other expenses	Y	6,068.56	5,803.43
Total Expenses		35,592.13	32,285.05
V Profit Before Tax		3,522.26	2,985.99
Add: Prior Period Items (net)		(1,609.00)	(10.45)
		1,913.26	2,975.54
VI Tax Expenses			
(a) Current Tax		1,584.52	1,081.50
(b) Deferred Tax		(649.22)	46.23
VII Profit/ (Loss) for the period		977.96	1,847.81
VIII Earnings per share:			
(a) Basic		4.35	8.21
(b) Diluted		4.35	8.21

See accompanying notes to the Financial Statements

As per our report of even date attached

For Muthoottu Mini Financiers Limited

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

Mathew Muthoottu (DIN: 01786534)
Managing Director

Nizzy Mathew (DIN: 01680739)
Whole-time Director

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

Ann Mary George
Chief Financial Officer

K S Smitha
Company Secretary

Place : Kochi
Date : 30 May 2016

MUTHOOTTU MINI FINANCIERS LIMITED

Muthoottu Buildings, Kozhencherry, Pathanamthitta - 689 641

CASH FLOW STATEMENT

(Rupees Lakhs)

Particulars	For the year ended 31.03.2016		For the year ended 31.03.2015	
A. Cash Flow from Operating Activities				
Profit before tax after prior period adjustments		1,913.26		2,975.54
Adjustments for :				
Provision for standard Assets	81.90		(34.32)	
Provision for NPA	167.74		382.22	
Provision for Gratuity (Net)	152.98		132.09	
Provision for diminution in value of investment	73.52		-	
Profit / Loss on Sale of assets	0.89		(14.15)	
Finance Cost	21,515.77		19,701.34	
Depreciation	1,956.08		1,090.51	
Bonus Paid during the year	-		-	
Prior Period Item	1,609.00		(0.23)	
Income from Non Operating Business	(0.28)	25,557.60	(0.37)	21,257.09
Operating Profit / (Loss) before working capital Adjustments			27,470.86	24,232.63
Adjustments for :				
Short term loans & Advances	(13,725.94)		8,985.65	
Current Investment	-		0.06	
Other Current Assets	(120.24)		(313.57)	
Short term borrowings	(7,912.11)		3,129.25	
Current Liabilities	18,617.22	(3,141.07)	(48,178.07)	(36,376.68)
Cash Generated from operations		24,329.79		(12,144.05)
Income Tax paid / Provisions		(1,451.82)		(1,081.50)
Net Cash Flow from Operating Activity		22,877.97		(13,225.55)
B. Cash Flow from Investment Activities				
Income from Investment		0.28		0.36
(Increase)/Decrease in Long Term Loans & Advances		85.53		(1,034.48)
(Increase)/Decrease in Investment		-		(0.63)
Sale of Fixed Assets		44.26		212.89
Purchase of Fixed Assets		(20,358.09)		(1,285.54)
Net Cash Flow from Investment Activity		(20,228.02)		(2,107.40)
C. Cash Flow from Financing Activity				
Increase/(Decrease) in Long Term Borrowings		27,587.41		14,845.06
Finance Cost		(21,515.77)		(19,701.34)

Increase/(Decrease) in Capital incl. Securities Premium		-	-
Net Cash Flow from Financing Activity		6,071.64	(4,856.28)
Net Increase/(Decrease) in Cash & Cash Equivalents(A+B+C)		8,721.59	(20,189.23)
Opening Balance of Cash & Cash Equivalents		4,087.26	24,276.49
Closing Balance of Cash & Cash Equivalents		12,808.85	4,087.26
Components of Cash and Cash Equivalents			
Current Account with Banks		3,527.75	372.89
Deposit with Banks		7,433.55	844.68
Cash in Hand		1,847.55	2,869.69
		12,808.85	4,087.26

As per our report of even date attached

For Vishnu Rajendran & Co.
 Chartered Accountants
 FRN.0047415

For Muthoottu Mini Financiers Limited

Mathew Muthoottu (DIN: 01786534)
 Managing Director

Nizzy Mathew (DIN: 01680739)
 Whole-time Director

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

Ann Mary George
 Chief Financial Officer

K S Smitha
 Company Secretary

Place : Kochi
 Date : 30 May 2016

ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

A. Share Capital

(Rupees Lakhs)

Particulars	As at 31/03/2016		As at 31/03/2015	
	Number	Amount	Number	Amount
Authorised Capital				
Equity shares of Rs. 100/- each	22,500,000	22,500	22,500,000	22,500
Issued, Subscribed & Paid up				
Equity shares of Rs. 100/- each, fully paid	22,500,000	22,500	22,500,000	22,500

Rights attached to each class of equity shares

The Company has issued 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 31/03/2016		As at 31/03/2015	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	22,500,000	22,500	22,500,000	22,500
Shares issued during the period	-	-	-	-
Shares bought back during the period	-	-	-	-
Shares outstanding at the end of the year	22,500,000	22,500	22,500,000	22,500

Particulars of shareholders holding more than 5 percent share

Particulars	As at 31/03/2016		As at 31/03/2015	
	Number	%	Number	%
Mr. Roy M Mathew	16,606,347	73.81%	16,606,352	73.81%
Mr. Mathew Muthoottu	1,388,094	6.17%	1,388,094	6.17%
Mini Muthoottu Hotels (P) Ltd	2,412,698	10.72%	2,412,698	10.72%
Mini Muthoottu Credit India (P) Ltd	1,419,841	6.31%	1,419,841	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
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	-	2,500,000	1,750,000	-	-
Aggregate number & class of shares bought back	-	-	-	-	-

B. Reserves & Surplus

(Rupees Lakhs)

Particulars	As at 31/03/2016	As at 31/03/2015
a. Securities Premium Reserve		
Opening Balance	6,250.00	6,250.00
(+) Securities Premium credited on Share Issue	-	-
(-) Written back in current year	-	-
Closing Balance	6,250.00	6,250.00
b. Revaluation Reserve		
Opening Balance	350.00	350.00
(+) Current Year Transfer	-	-
(-) Reduced in current year	-	-
Closing Balance	350.00	350.00
c. Other Reserves		
(i). Special Reserve Fund(u/s 451C of RBI Act, 1934)		
Opening Balance	3,172.03	2,802.47
(+) Current Year Transfer	195.59	369.56
(-) Written back in current year	-	-
Closing Balance	3,367.62	3,172.03
(ii). Debenture Redemption Reserve		
Opening Balance	12,019.28	-
(+) Current Year Transfer	782.37	12,019.28
(-) Written back in current year	-	-
Closing Balance	12,801.65	12,019.28
d. Surplus in Profit & Loss Statement		
Opening Balance	-	10,541.03
(+) Net profit /(loss) for the current year	977.96	1,847.81
(-) Transfer to Special Reserves	(195.59)	(369.56)
(-) Transfer to Debenture Redemption Reserves	(782.37)	(12,019.28)
Closing Balance	-	-
TOTAL	22,769.27	21,791.31

Statutory Reserve represents the Reserve Fund created u/s 451C of the Reserve Bank of India Act, 1934. An amount of Rs 195.60 lakhs- representing 20% of the Net Profit is transferred to the Fund during the year and only the remaining surplus in Profit & Loss Statement of Rs. 782.37 lakhs- was transferred to Debenture Redemption Reserve. No appropriation has been made out of the reserve fund during the year

C. Long Term Borrowings
(Rupees Lakhs)

Particulars	As at 31/03/2016	As at 31/03/2015
SECURED LOAN		
(a) Bonds/Debentures		
I. Public Non Convertible Debentures		
(i) Secured, Redeemable NCD - Public Issue I*	3,106.56	6,664.50
(ii) Secured, Redeemable NCD - Public Issue II*	8,577.77	8,577.77
(iii) Secured, Redeemable NCD - Public Issue III*	6,075.88	19,769.51
(iv) Secured, Redeemable NCD - Public Issue IV*	6,866.81	-
(v) Secured, Redeemable NCD - Public Issue V*	13,219.69	-
(vi) Secured, Redeemable NCD - Public Issue VI*	20,000.00	-
(*Secured by way of first pari passu charge on immovable property located at House of Hiranandhini, No. 5/63, Old Mahabalipuram Road, Egathur Village, Chennai - 600130 and first pari passu charge on Current Assets including Book Debts, Loans & Advances, Cash & Bank Balances and Receivables, both present and future ranking pari-passu with the existing secured lenders)		
Sub-Total	57,846.71	35,011.78
II. Secured, Redeemable, Privately Placed NCD		
(Secured on pari passu charge on Current Assets including Book Debts, Loans & Advances, Cash and Bank Balances and Receivables, both present and future of the Company with secured lenders)		
Series XVIII of Secured, Redeemable Non Convertible Debentures	4,803.00	9,777.72
Series XVII of Secured, Redeemable Non Convertible Debentures	3,706.07	5,186.71
Series XVI of Secured, Redeemable Non Convertible Debentures	579.78	1,240.56
Series XV of Secured, Redeemable Non Convertible Debentures	3,431.49	4,811.73
Series XIV of Secured, Redeemable Non Convertible Debentures	410.56	2,618.80
Series XIII of Secured, Redeemable Non Convertible Debentures	1,535.42	3,268.89
Series XII of Secured, Redeemable Non Convertible Debentures	1,563.46	1,584.78
Series XI of Secured, Redeemable Non Convertible Debentures	838.31	851.29
Series X of Secured, Redeemable Non Convertible Debentures	503.42	589.27
Series IX of Secured, Redeemable Non Convertible Debentures	1,010.86	2,041.28
Series VIII of Secured, Redeemable Non Convertible Debentures	-	1,371.04
Series VII of Secured, Redeemable Non Convertible Debentures	24.88	602.36
Series VI of Secured, Redeemable Non Convertible Debentures	-	20.85
Series V of Secured, Redeemable Non Convertible Debentures	3.50	5.34
Series IV of Secured, Redeemable Non Convertible Debentures	-	-
Sub-Total	18,410.75	33,970.61

C. Long term borrowings (Contd.)

(b) Term Loans		
(A) From Banks		
1. South Indian Bank		
(i) Term loan 1510	1,100.55	1,839.83
(Secured by Hypothecation of FA purchased/Sundry Deposits for opening new branches)		
(ii) 316655261	29.00	92.68
(Secured by/on Hypothecation of Vehicle)		
2. HDFC Bank : Vehicle Loans		
(Secured on Hypothecation of Vehicles)		
(i) 23595362	18.11	37.95
(ii) 24740699	10.78	19.10
(iii) 25297680	36.44	60.56
(iv) 24849893	4.09	7.00
(v) 28520493	38.90	53.58
(vi) 33271874	12.00	-
3. SBI : Vehicle Loans		
(i) 35355070984	70.23	-
Sub-Total	1,320.10	2,110.70
UNSECURED LOAN		
(a) Bonds/debentures		
Subordinate Debt	9,878.04	-
Unsecured Privately Placed NCD	390.45	415.45
Unsecured Public Placed Debenture - Public Issue II	4,962.99	4,962.99
Unsecured Public Placed Debenture - Public Issue III	7,143.37	7,143.37
Unsecured Public Placed Debenture - Public Issue IV	6,849.15	-
Unsecured Public Placed Debenture - Public Issue VI	4,400.75	-
Sub-Total	33,624.75	12,521.81
TOTAL	111,202.31	83,614.90

D. Other Long-term Liabilities

Particulars	As at 31/03/2016	As at 31/03/2015
	-	-
TOTAL	-	-

E. Long Term Provisions
(Rupees Lakhs)

Particulars	As at 31/03/2016	As at 31/03/2015
(a) Provision for employee benefits		
(1) Provision for Gratuity	418.54	265.57
TOTAL	418.54	265.57

F. Short-term borrowings
(Rupees Lakhs)

Particulars	As at 31/03/2016	As at 31/03/2015
SECURED LOAN		
(a) Loans repayable on demand		
(A) From Bank		
(i) South Indian Bank Limited	2,144.25	16,448.41
(ii) Federal Bank Ltd.	3,265.98	4,977.86
(iii) State Bank of Travancore	2,623.98	2,609.66
(iv) Dhanalaxmi Bank	1,207.06	2,460.35
(v) State Bank Of India	4,929.45	-
(vi) Andhra Bank	2,002.55	-
(vii) Indus Ind Bank	2,449.28	-
	18,622.55	26,496.28

G. Other Current Liabilities
(Rupees Lakhs)

Particulars	As at 31/03/2016	As at 31/03/2015
a) Current Maturity of Long Term Debts		
(i) Secured, Privately Placed NCD	16,639.43	18,230.73
(ii) Secured, Redeemable NCD Public Issue	38,051.77	24,316.30
(iii) Unsecured, Privately Placed NCD	200.00	-
(iv) Term Loan		
- Term Loan 1510	681.48	623.68
Vehicle Loans		
-316655261	67.43	57.60
-23595362	19.84	17.97
-24740699	8.32	7.54
- 25297680	24.11	21.67
-24849893	2.91	2.62
-28520493	14.68	13.29
-33271874	3.07	-
-35355070984	10.01	-
Sub-Total	55,723.05	43,291.40

G. Other Current Liabilities (Cont.)

(Rupees Lakhs)

b) Interest accrued but not due on Debentures	8,710.71	2,720.51
c) Other Payables		
Security Deposit	74.95	74.95
ESI, EPF & Staff Welfare Fund	47.13	37.54
Tax Deducted at Source	93.51	91.27
Professional tax	0.10	0.10
Advance from Clients (Stamp)	4.10	4.15
Sundry Deposit	1.88	1.88
Caution Deposit	66.54	45.21
Expenses payable	51.97	20.01
VAT Payable	47.16	19.77
Service tax Payable	2.44	6.22
Earmarked CSR Fund	66.12	-
Earnest Money Deposit	2.00	-
Rent Payable	6.27	-
Akbar Holidays PVT Ltd	2.34	-
Liberty Videocon General Insurance	28.99	-0.93
Liberty Motors	0.04	-
Sub-Total	9,206.25	3,020.68
TOTAL	64,929.30	46,312.08

H. Short-term Provisions

(Rupees Lakhs)

Particulars	As at 31/03/2016	As at 31/03/2015
(a) Provision for Employee benefits	-	-
(b) Others		
(1) Provision for Non Performing Assets	822.85	655.10
(2) Contingent Provision for Standard Assets	510.71	428.81
(3) Provision for diminution in value of investment	73.52	-
TOTAL	1,407.08	1,083.91

(Rupees Lakhs)

I. Tangible Assets

	FOR BALANCE AS ON 01.04.2015							FOR ADDITIONS DURING THE PERIOD					NET BALANCE AS ON 31.03.2016		
Sl. No.	Asset	WDV as on 01.04.2015	Useful Life (Yrs)	Sale/ (Adj.)	Prior Period Expenses	Depreciation (A)	Residual Value	Cost	Useful Life (Yrs)	Sale/ (Adj.)	Depreciation (B)	Residual Value	Net Depreciation for the year (A+B)	Prior period expenses	WDV as on 31.03.2016
I	LAND & LAND DEVELOPMENT	6,549.03	-	-	-	-	-	14,818.07	-	-	-	-	-	-	21,367.10
II	BUILDINGS	779.20	22	-	61.71	87.62	40.86	5,181.93	60	-	29.19	259.10	116.81	61.71	5,782.60
III	PLANT & MACHINERY	899.12	12 - 15	-118.51	135.52	177.31	54.58	41.89	15	-	6.30	2.09	183.60	135.52	740.38
IV	FURNITURE & FITTINGS	4,934.29	7 - 10	13.97	1,009.27	1,128.70	276.15	59.57	10	-	58.47	2.98	1,187.18	1,009.27	2,783.44
V	ELECTRICAL INSTALLATIONS	321.10	7 - 10	119.92	43.23	46.35	11.38	0.36	10	-	2.45	0.02	48.80	43.23	109.52
VI	MOTOR VEHICLES	557.20	6 - 8	29.74	81.45	152.49	29.80	117.19	8	-	17.32	5.86	169.80	81.45	393.41
VII	COMPUTERS AND DATA PROCESSING UNITS	589.88	2 - 3	0.03	239.44	215.69	41.49	96.50	3	-	34.20	4.83	249.89	239.44	197.03
	TOTAL	14,629.82		45.15	1,570.62	1,808.16	454.26	20,315.51		-	147.93	274.88	1,956.08	1,570.62	31,373.48

(Rupees Lakhs)

J. In Tangible Assets

Sl. No.	Asset	FOR BALANCE AS ON 01.04.2015					FOR ADDITIONS DURING THE PERIOD					NET BALANCE AS ON 31.03.2016			
		WDV as on 01.04.2015	Useful Life (Yrs)	Sale/ (Adj.)	Prior Period Adjustments	Depreciation (A)	Residual Value	Cost	Useful Life (Yrs)	Sale/ (Adj.)	Depreciation (B)	Residual Value	Net Depreciation for the year (A+B)	Prior period Adjustments	WDV as on 31.03.2016
		-	-	-	-	-	-	-	-	-	-	-	-	-	-
	TOTAL	-	-	-	-	-	-	-	-	-	-	-	-	-	-

K. Non Current Investments
(Rupees Lakh:

Particulars	As at 31.03.2016	As at 31.03.2015
Other Investments		
(a) Investment in Equity instruments	373.42	373.42
TOTAL	373.42	373.42

Investments (Non-trade) are considered as long term and are stated at cost (Refer Note 14 in Notes to Accounts)

L. Long Term Loans & Advances
(Rupees Lakh:

Particulars	As at 31.03.2016	As at 31.03.2015
a) Security Deposits		
Unsecured, considered good		
Rent Deposit	1,981.50	2,117.03
Security Deposit with NSE, BSE & CDSL	932.95	882.95
b) Other loans and advances		
Secured, Considered Good		
Income Tax including TDS (Net of Provisions)	488.24	620.94
TOTAL	3,402.69	3,620.92

Loans and advances due by	As at 31.03.2016	As at 31.03.2015
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
(Rupees Lakhs)

Particulars	As at 31.03.2016	As at 31.03.2015
	-	-
TOTAL	-	-

N. Current Investments
(Rupees Lakhs)

Particulars	As at 31.03.2016	As at 31.03.2015
Other Investments		
(a) Investment in Gold	39.56	39.56
TOTAL	39.56	39.56

Current Investment is stated at cost.

O. Inventories
(Rupees Lakhs)

Particulars	As at 31.03.2016	As at 31.03.2015
	-	-
TOTAL	-	-

P. Trade Receivable
(Rupees Lakhs)

Particulars	As at 31.03.2016	As at 31.03.2015
	-	-
TOTAL	-	-

Q. Cash & Cash Equivalents
(Rupees Lakhs)

Particulars	As at 31.03.2016	As at 31.03.2015
a) Balances with banks		
In deposit account	7,433.55	372.89
In current account	3,527.75	844.68
b) Cash in hand	1,847.55	2,869.69
TOTAL	12,808.85	4,087.26

R. Short Term Loans & Advances
(Rupees Lakhs)

Particulars	As at 31.03.2016	As at 31.03.2015
(a) Loans & Advances to Others		
(A) Secured considered good		
Gold Loan	185,259.06	172,587.13
Loan against debentures	113.73	240.27
(B) Secured considered doubtful		
Gold Loan	5,296.91	3,275.51
(C) Unsecured		
Education Loan	0.04	0.20
Personal Loan	649.67	1,490.36
TOTAL	191,319.41	177,593.47

(Rupees Lakhs)

Loans and advances due by	As at 31.03.2016	As at 31.03.2015
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	-	-

(Note 5)- Other Current Assets
(Rupees Lakhs)

Particulars	As at 31.03.2016	As at 31.03.2015
Bajaj Allianz Life Insurance Co Ltd	1.51	1.53
UAE Exchange & Financial Services Ltd	7.51	7.48
Western Union Money Transfer	65.87	61.12
Electricity Deposit	0.47	0.47
Telephone Deposit	0.78	0.81
Commission/Incentive Receivable	15.46	14.36
Prepaid Expenses	480.21	448.01
Input service tax	114.67	120.89
CENVAT Receivable	113.05	69.40
Stamp & Stamp Paper in/on Hand	0.91	0.72
Other Advances/Receivables	107.57	76.93
NSEL Client Account	0.56	0.56
Trans Fast	8.86	7.49
Oxygen Services India Pvt. Ltd	12.23	0.50
Insurance deposit	0.85	-
TOTAL	930.51	810.27

T. Revenue from Operations
(Rupees Lakhs)

Particulars	31.03.2016	31.03.2015
a) Interest Income		
On Loans & Advances	38,385.54	33,196.77
On Loan against debentures	35.24	49.16
On Personal Loan	332.63	1,829.58
On Deposits	162.47	25.79
Interest Others	9.27	1.61
	38,925.15	35,102.91
b) Other Financial Services		
Commission & Brokerage	154.89	127.74
Other Operating Income	25.31	23.25
	180.20	150.99
TOTAL	39,105.35	35,253.90

U. Other Income
(Rupees Lakhs)

Particulars	31.03.2016	31.03.2015
a) Dividend income	0.28	0.37
b) Other non-operating income	8.76	16.77
TOTAL	9.04	17.14

V. Employee Benefits Expenses
(Rupees Lakhs)

Particulars	31.03.2016	31.03.2015
a) Salaries & Wages		
Staff	4,735.72	4,358.82
Gratuity	164.90	140.84
b) Other Expenses	763.64	689.51
c) Directors Remuneration		
Salary & Allowances	121.60	132.40
Travelling Expense	12.36	21.97
Sitting fee to directors	7.05	-
TA to Non executive directors	0.19	-
TOTAL	5,805.46	5,343.54

W. Finance Costs
(Rupees Lakhs)

Particulars	31.03.2016	31.03.2015
a) Interest expenses		
Interest on Debentures Subordinate Debt (Private Placement)	5,026.79	12,322.17
Interest on Debentures (Public Issue)	13,415.94	4,811.02
Interest on Loans	2,727.02	2,239.29
Interest on Application Money (NCD)	346.02	328.86
TOTAL	21,515.77	19,701.34

X. Depreciation & Amortisation Expenses
(Rupees Lakhs)

Particulars	31.03.2016	31.03.2015
Depreciation Expenses	1,956.08	1,090.50
Amortisation of NCD Public Issue Expenses	246.26	346.24
TOTAL	2,202.34	1,436.74

Y. Other Expenses

Particulars	31.03.2016	31.03.2015
Power and fuel	171.65	190.95
Rent	2,347.68	2,687.90
Repairs & Maintenance	164.91	78.24
Insurance	112.28	102.26
Rates & Taxes, excluding, taxes on income	75.73	71.78
Payment to Auditors	11.36	13.06
Commission Paid	82.22	13.37
Business Promotion expenses	128.64	553.23
General Office Expenses	219.58	249.09
Advertisement charges	93.99	219.52
Bad debts written off	811.67	29.20
Travelling Expenses to Staff	425.17	285.89
Legal & Professional Charges	111.24	70.81
Telephone Charges	255.91	279.34
Postage & Courier	21.58	25.26
Provision for diminution in value of investment	73.52	-
Printing & Stationery	177.24	106.59
Other Expenses	2.23	1.00
Provision for Non-performing assets	167.74	382.22
Contingent Provision for Standard Assets	81.90	-34.32
Vehicle Running & Maintenance Expenses	21.00	17.39
Security Charges	305.73	312.90
Training & Meeting Expenses	43.48	23.46
Subscription Charges - Spot Exchange	1.60	5.10
DP account Opening charges	3.13	2.05
Corporate Social Responsibility	89.07	114.80
Public Issue NCD	62.16	2.34
Loss on sale of Fixed assets	6.15	-
TOTAL	6,068.56	5,803.43

Significant Accounting Policies & Accompanying Notes to Financial Statements

I. 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
- 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.

C. Fixed Assets

Fixed assets except land are stated at cost of acquisition or construction less accumulated depreciation. 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 up to the date the asset is ready for the intended use or sale.

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 on Written Down Value method

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

applicable 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.

Provision for non-performing assets are created 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 statement.

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 as per this plan, for employees who has completed at least one year of service.

II. Accompanying Notes to Financial Statements

1. Term loans

- i. The company has obtained sanction for term loan of Rs. 4,500 lakhs 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 Rs 3,407.41 Lakhs on account of such loan and the outstanding liability as on 31.03.2016 comes to Rs 1,782.03 Lakhs (PY Rs. 2,463.51 Lakhs). Out of this, 1,100.55 Lakhs is included in long term borrowings and 681.48 Lakhs is included in other current liabilities as current maturities of long term borrowings.

- ii. On Vehicle Loans, the outstanding liability as on 31st March 2016 comes to Rs 369.91 lakhs. Out of this, Rs 219.55 Lakhs is included in long term borrowings and Rs 150.36 Lakhs is included in other current liabilities.

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

3. Contingent Liability

(Rs in lakhs)

▪ 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
▪ Debts due from other companies under the same management	NIL
▪ The maximum amount due by directors or other officers	NIL
▪ Claims against the company not acknowledged as debts	557.41
▪ Estimated amounts of contracts remaining to be executed on capital account and not provided for	NIL
▪ Other money for which the company is contingently liable	NIL

Claims against the Company aggregating to Rs 557.41 Lakhs represents demands from Income Tax Department for the assessment years 2007-08, 2010-11, 2011-12 and 2012-13, matter relating to which, appeal is pending with various Income Tax appellate authorities

4. Auditors' Remuneration (excluding Service Tax)

(Rs in lakhs)

Particulars	Current Year	Previous Year
For Statutory Audit	12.00	12.00
For Internal Audit	-	-
For Other matters	-	-

5. Managerial Remuneration

(Rs in lakhs)

Sl No	Name of the Director	Current Year	Previous Year
1.	Roy M Mathew (Up to 29.02.2016)	88.00	96.00
2.	Nizzy Mathew	24.00	26.00
3.	Mathew Muthoottu	9.60	10.40
	Total	121.60	132.40

6. 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.

(Rs in lakhs)

Particulars	Current Year	Previous Year
Opening Balance	94.82	141.05
Created/(Reversed) during the year on account of Depreciation and Provision for Gratuity	649.22	(46.23)
Net Deferred Tax Asset/(Liability)	744.04	94.82

7. 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 31/03/2016	As on 31/03/2015
CRAR – Tier I Capital (%)	19.14	22.16
CRAR – Tier II Capital (%)	9.87	6.62
CRAR (%)	29.01	28.78

8. 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 payments for assets taken on operating lease Rs. 2,347.67 lakhs (Previous Year Rs. 2,687.89 lakhs) are recognized as rent paid in the Profit and Loss statement under the head other expenses

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

(Rs in lakhs)

Particulars	Provision for NPA (Rs)	Contingent Provision for Standard Assets (Rs)
Opening Balance	655.10	428.81
Created/(Reversed) during the year	167.75	81.90
Closing Balance	822.85	510.71

- 10.** 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 manage risk.

11. 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. 35,050.18 lakhs (Previous year Rs. 52,201.35 lakhs)

(Rs in lakhs)

Series	Period of issue	Redemption Period	Amount	Interest Rate
IV	23/09/2010- 03/11/2010	1 year to 6 years	2.81	10.00 -13.25%
V	04/11/2010- 06/03/2011	1 year to 6 years	5.41	10.00 -13.25%
VI	07/03/2011- 01/06/2011	1 year to 6 years	27.39	11.00 -13.25%
VII	02/06/2011- 21/06/2011	1 year to 6 years	569.43	11.50-13.75%
VIII	22/06/2011- 21/08/2011	1 year to 6 years	1,359.26	11.50-13.75%
IX	2/08/2011- 15/11/2011	1 year to 6 years	1,163.31	11.50-13.75%
X	16/11/2011- 08/12/2011	1 year to 6 years	1,431.50	11.50- 18.18%
XI	09/12/2011- 09/01/2012	1 year to 6 years	843.54	11.50- 18.18%
XII	10/01/2012- 25/03/2012	1 year to 6 years	1,565.38	12.00- 18.18%
XIII	26/03/2012- 25/05/2012	1 year to 6 years	3,285.49	12.50- 18.18%
XIV	27/01/2012- 31/03/2012	1 year to 6 years	2,624.14	12.50- 18.18%
XV	23/05/2012- 28/09/2012	1 year to 6 years	4,611.09	12.50- 18.18%
XVI	29/09/2012- 31/10/2012	1 year to 6 years	1,039.31	12.50- 18.18%
XVII	01/11/2012- 14/03/2013	1 year to 6 years	5,112.51	12.50- 18.18%
XVIII	15/03/2013-	1 year to 6 years	11,409.61	12.00- 18.18%

Out of the above Long Term borrowings, an amount of Rs. 16,639.43 lakhs is included in current maturities and Rs. 18,410.75 lakhs is classified as long term debt.

The company has raised an amount of Rs 60,886.70 lakhs (Secured) by way of public issue of Non Convertible Debentures during the year. The details are given below;

(Rs in lakhs)

Series	Date of Allotment	Redemption period	Amount	Interest Rate
IV	07.04.15	500 days to 42 months	18,059.58	11.50% - 12.28%
V	25.08.15	500 days to 72 months	22,827.12	11.00% - 12.25%
VI	27.01.16	500 days to 50 months	20,000.00	10.25% - 11.02%

12. Unsecured Debentures raised during the year through public issue.

Series	Date of Allotment	Redemption period	Amount	Interest Rate
IV	07.04.15	66 months	6,849.15	11.50% - 12.28%
VI	27.01.16	78 months	4,400.75	10.25% - 11.02%

13. Subordinated Debt

The Company has raised Rs 9,878.04 lakhs during the year by way of private placement of Subordinated Debt Instrument having a maturity of 66 months.

14. Provision for diminution in value of investments

A provision of Rs 73.52 lakhs for diminution in value of investments represented by investments in Kapico Kerala Resorts Private Limited, classified as non-current investments, is charged to profit and loss statement to recognize a decline in the value of investment, as estimated by the Company, as the said company is yet to commence its operation.

15. Provision for Gratuity

The company has made provision for Gratuity amounting to

Rs. 418.53 lakhs for the current Financial Year (PY Rs.265.57 lakhs).

16. Purchase of Fixed Assets (Land and Buildings)

In order to facilitate functioning of branches and corporate office in an efficient manner, the Company has entered into an agreement to acquire fixed assets comprising land and buildings which is presently being occupied by the Company as tenant for the functioning of its Corporate Office and branches, for a total consideration of Rs 21,900 Lakhs. The Company has paid an aggregate amount of Rs 20,000 Lakhs as part of purchase consideration and has taken possession of the assets. Since substantial part of the consideration has been paid and assets have been put to use by the Company, the amount paid has been capitalized in the books of the company as fixed assets (Land and Building)

17. Related party transaction:

- a) List of related parties and relationships

Name and Particulars of the Related Party	Relationship with the Company
Name of the related party	Relationship
Roy M Mathew*	Key Managerial Personnel(KMP)
Nizzy Mathew	
Mathew Muthoottu	
Mammen Mathew	Director
Saramma Mammen	Relatives of Key Managerial Personnel / Director
Mono Mathew	
Minu Sara Mathew	
Nirmal Mathew	
M/s Muthoottu Mini Builders	Entity in which KMP has significant influence.
M/s Muthoottu Mini Hotels	

* Roy M Mathew ceased to be a director w.e.f. 1st March 2016

b) Transactions during the year with related parties;

Amount (Rs Lakhs)

Particulars	Key Managerial Personnel (KMP)	Director	Relatives of KMP / Director	Entity in which KMP has significant influence
Salary & Allowances	121.60		25.20	
Issue of Debentures	7.00	1.00		
Redemption of Debentures	298.19	4.09	2.10	
Interest on Debentures	93.37	3.06	1.80	
Travelling Expenses	12.36		1.26	
Rent/ Maintenance charges	39.35	1.96	5.11	107.82
Purchase of Fixed Assets	20,000.00			

18. List of statutory dues outstanding for a period of more than 6 months from the due date

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

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

Particulars	Amount (Rs Lakhs)
Difference in depreciation provided for financial year 2014-15 based on useful life as prescribed in Schedule II of the Companies Act, 2013 adjusted during current year	1,570.62
Omission of Interest on bank loans for financial year 2014-15 rectified during current year	38.38
Total	1,609.00

20. Investment in gold

Some of the customers of the Company had invested in e-gold securities of National Spot Exchange Limited (NSEL) through the Company in the past. Subsequent to the scam in NSEL, in order to avoid monetary loss to the customers who had invested in the said securities, the Company had purchased and paid for the e-gold securities from such customers and held the same in its name. These e-gold securities were re-matted and the Company took possession of the physical gold as the owner of the asset.

21. Revaluation Reserve

Revaluation reserve represents a portion of the value of land that has been revalued based on the valuation made by approved external valuer during the financial year 2012-13.

22. Special Reserve and Debenture Redemption Reserve

Statutory Reserve represents the Reserve Fund created u/s 45IC of the Reserve Bank of India Act, 1934. An amount of Rs

195.60 lakhs representing 20% of the Net Profit is transferred to the Fund during the year and the remaining surplus in Profit & Loss Statement of Rs. 782.37 lakhs was transferred to Debenture Redemption Reserve. No appropriation has been made out of the reserve fund during the year.

23. Guarantee for loans taken by others

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

24. Previous year figures

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

MUTHOOTTU MINI FINANCIERS LIMITED

Muthoottu Buildings, Kozhencherry, Pathanamthitta - 689 641

Additional disclosures required as per Reserve Bank of India guidelines

- 1. 1. Disclosure Required as per Annex 1 of Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 (Notification No. DNBR.009/CGM (CDS)-2015 dated March 27, 2015)**

Schedule to the Balance Sheet of a Non-Deposit Taking Non-Banking Financial Company

	Particulars		(Rs in lakhs)
	Liabilities Side	Amount Outstanding	Amount Overdue
(1)	Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid		
	(a) Debentures: Secured	1,37,168.93	-
	Unsecured (other than falling within the meaning of "Public Deposit")	26,448.31	-
	(b) Deferred Credits	-	-
	(c) Term Loans	2,151.95	-
	(d) Inter corporate Loans and Borrowings	-	-
	(e) Commercial Papers	-	-
	(f) Other Loans (listed below)		
	Borrowings from Banks	18,622.55	-
	Subordinated Debt	9,878.04	-
	Particulars		
	Asset Side	Amount Outstanding	
(2)	Break up of Loans and Advances including bills receivables (Other than those included in 4 below)		
	(a) Secured	1,90,669.70	
	(b) Unsecured	649.71	
(3)	Break up of Leased Asset and stock on hire and other assets counting towards AFC Activities		
	(i) Lease Assets including rentals under Sundry Debtors:	Nil	
	(a) Financial Lease	Nil	
	(b) Operating Lease	Nil	
	(ii) Stock on hire including charges under sundry debtors	Nil	
	(a) Assets on hire	Nil	
	(b) Repossessed Assets	Nil	
	(iii) Other Loans Counting towards AFC Activities	Nil	
	(a) Loans where Assets have been repossessed	Nil	
	(b) Loans other than (a) above.	Nil	

(4)	Break-up of Investment:	
	Current Investment:	
	1. Quoted	
	(i) Shares: Equity	Nil
	Preference	Nil
	(ii) Debentures and Bonds	Nil
	(iii) Units of mutual funds	Nil
	(iv) Government Securities	Nil
	(v) Others	Nil
	2. Unquoted	
	(i) Shares: Equity	Nil
	Preference	Nil
	(ii) Debentures and Bonds	Nil
	(iii) Units of mutual funds	Nil
	(iv) Government Securities	Nil
	(v) Others	39.56
	Long Term/ Non-Current Investment:	
	1. Quoted	
	(vi) Shares: Equity	5.81
	Preference	Nil
	(vii) Debentures and Bonds	Nil
	(viii) Units of mutual funds	Nil
	(ix) Government Securities	Nil
	(x) Others	Nil
	2. Unquoted	
	(vi) Shares: Equity	367.61
	Preference	Nil
	(vii) Debentures and Bonds	Nil
	(viii) Units of mutual funds	Nil
	(ix) Government Securities	Nil
	(x) Others	Nil

5)	Borrower Group-wise classification of assets financed as in (2) and (3) above:			
	Category	Amount Net of Provisions		
		Secured	Unsecured	Total
	1. Related Parties			
	(a) Subsidiaries	Nil	Nil	Nil
	(b) Companies in the same group	Nil	Nil	Nil
	(c) Other related	Nil	Nil	Nil
	2. Other than Related Parties	1,90,669.70	649.71	1,91,319.41
	Total	1,90,669.70	649.71	1,91,319.41
6)	Investor group-wise classification of all investments (Current and Long Term) in both shares and securities (both quoted and unquoted)			
	Category	Market Value/ Break up of Fair Value or NAV	Book Value (Net of Provision)	
	1. Related Parties	Nil	Nil	
	(a) Subsidiaries	Nil	Nil	
	(b) Companies in the same group	Nil	Nil	
	(c) Other Related Parties	Nil	Nil	
	2. Other than Related Parties	303.99	299.90	
	Total	303.99	299.90	
7)	Other Information			
	Particulars			Amount
(i)	Gross Non- Performing Assets			5296.91
	(a) Related Parties			Nil
	(b) Other than Related Parties			5296.91
(ii)	Net Non Performing Assets			4474.06
	(a) Related Parties			Nil
	(b) Other than Related Parties			4474.06
(iii)	Assets acquired in satisfaction of debt			Nil
1.2	Gold and other loan portfolio classification and provision for non- performing assets:			
	Particulars	Gross Loan Outstanding	Provision for Assets	Net Loan Outstanding
(i)	Secured Loans			
	A) Gold Loans			
	a) Standard Assets*	1,85,259.06	508.42	1,84,750.64
	b) Sub-standard Assets	3,134.55	313.45	2,821.10
	c) Doubtful Assets	2,066.21	413.25	1,652.96
	d) Loss Assets	96.15	96.15	-
	TOTAL-A	1,90,555.97	1,331.27	1,89,224.70
	B) Other Loans			
	a) Standard Assets	113.73	0.34	113.39

b) Sub-standard Assets	-	-	-
c) Doubtful Assets	-	-	-
d) Loss Assets	-	-	-
TOTAL-B	113.73	0.34	113.39
TOTAL (A+B)	1,90,669.70	1,331.61	1,89,338.09
(ii) Unsecured Loans			
A) Other Loans			
a) Standard Assets	649.71	1.95	647.76
b) Sub-standard Assets	-	-	-
c) Doubtful Assets	-	-	-
d) Loss Assets	-	-	-
TOTAL-A	649.71	1.95	647.76
TOTAL{(i)+(ii)}	1,91,319.41	1,333.56	1,89,985.85

*Includes interest receivable

1.3. Provision for diminution in the value of investment:

(Amount in Rs. Lakhs)		
Particulars	As at 31.03.2016	As at 31.03.2015
1 Provision for diminution in value of investment	73.52	Nil

1.4. Loan To Value Ratio:

(Amount in Rs. Lakhs)						
Particulars	As at 31.03.2016			As at 31.03.2015		
	Outstanding Loan Amount	Value of the Security	%	Outstanding Loan Amount	Value of the Security	%
Gold Loan*	1,90,555.97	2,54,546.00	74.86	1,75,862.84	2,30,192.21	76.40

*Includes interest receivable. LTV is below 75% for the principal amount for current and previous years.

1.5. Disclosure with regards to Auction:

(Amount in Rs. Lakhs)		
Particulars	As at 31.03.2016	As at 31.03.2015
1 No. of Gold Loan Accounts Auctioned	36,034	1,394
2 Principal amount outstanding as on the date of auction	13,605.65	387.04
3 Interest amount outstanding as on the date of auction	4,566.11	8.45
4 Total (2+3)	18,171.76	395.49
5 Actual value fetched	15,328.14	395.49

No sister concern participated in the auctions during the year ended March 31, 2016 and March 31, 2015.

1.6. Disclosure as per Annexure 4 of Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015 (Notification No. DNBR.019/CGM (CDS)-2015 dated April 10, 2015)

1.6.1. CAPITAL

(Amount in Rs. Lakhs)		
Particulars	As at 31.03.2016	As at 31.03.2015
1 CRAR (%)	29.01	28.78
2 CRAR – Tier I Capital (%)	19.14	22.16
3 CRAR – Tier II Capital (%)	9.87	6.62
4 Amount of Subordinated debt raised as Tier II Capital	33,824.75	12,521.81
5 Amount raised by issue of Perpetual Debt Instrument	Nil	Nil

1.6.2. Investments:

(Amount in Rs. Lakhs)			
	Particulars	As at 31.03.2016	As at 31.03.2015
1	Value of Investments		
	(i) Gross Value of Investments		
	(a) In India	412.98	412.98
	(b) Outside India	Nil	Nil
	(ii) Provision for Depreciation		
	(a) In India	73.52	Nil
	(b) Outside India	Nil	Nil
	(iii) Net Value of Investments		
	(a) In India	339.46	412.98
	(b) Outside India	Nil	Nil
2	Movement of provision held towards depreciation on investments		
	(i) Opening balance	Nil	Nil
	(ii) Add: Provision made during the year	73.52	Nil
	(iii) Less: Write- off/ write back of excess provision during the year	Nil	Nil
	(iv) Closing balance	73.52	Nil

1.6.3. Derivatives:

A. Forward Agreement/ interest rate swap:

(Amount in Rs. Lakhs)			
	Particulars	As at 31.03.2016	As at 31.03.2015
(i)	The Notional Principal of swap agreements	Nil	Nil
(ii)	Losses which would be incurred if the counterparties failed Nil to fulfil their obligation under the agreement	Nil	
(iii)	Collateral required by the NBFC while entering into swapsNil	Nil	
(iv)	Concentration of credit risk arising from swaps	Nil	Nil
(v)	The fair value of swap book	Nil	Nil

B. Exchange Traded Interest Rate (IR) Derivatives:

(Amount in Rs. Lakhs)		
	Particulars	Amount
(i)	Notional principal amount of exchange traded IR derivatives undertaken during the year (instrument Wise)	
	a)	Nil
	b)	Nil
(ii)	Notional principal amount of exchange traded IR derivatives outstanding as on 31st March 2016 (instrument wise)	
	a)	Nil
	b)	Nil
(iii)	Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument wise)	
	a)	Nil
	b)	Nil
(iv)	Mark-to-Market value of exchange traded IR derivatives outstanding and not "highly effective"	
	a)	Nil
	b)	Nil

C. Disclosure on risk exposure in derivatives:

C. 1. Qualitative Disclosures

Company does not have exposure to derivatives

C.2. Quantitative Disclosures:

(Amount in Rs. Lakhs)			
	Particulars	Currency Derivatives	Interest Rate Derivatives
(i)	Derivatives (Notional Principal Amount)	Nil	Nil
	For hedging	Nil	Nil
(ii)	Marked-to-Market Position [1]		
	A Asset (+)	Nil	Nil
	B Liability (-)	Nil	Nil
(iii)	Credit Exposure [2]	Nil	Nil
(iv)	Unhedged Exposure	Nil	Nil

1.6.4. Disclosure Relating to Securitization:

A.

(Amount in Rs. Lakhs)		
	Particulars	Amount
1	No. of SPVs sponsored by the NBFC for securitization transaction	Nil
2	Total amount of Securitized assets as per books of the SPVs sponsored	Nil
3	Total amount of exposures retained by the NBFC to comply with MRR as on the date of the Balance Sheet	
	a) Off balance sheet exposure	Nil
	First loss	Nil
	Others	Nil
	b) On-balance sheet exposures	Nil
	First Loss	Nil
	Others	Nil
4	Amount of exposure to securitization transaction other than MRR	
	a) Off- Balance Sheet exposure	Nil
	i) Exposure to own securitization	Nil
	First Loss	Nil
	Others	Nil
	ii) Exposure to third party securitization	Nil
	First Loss	Nil
	Others	Nil

B. Details of financial assets sold to securitization/reconstruction company for asset reconstruction:

(Amount in Rs. Lakhs)			
	Particulars	As at 31.03.2016	As at 31.03.2015
i)	No. of Accounts	Nil	Nil
(ii)	Aggregate value (net of provision) on accounts sold to SC/RC	Nil	Nil
(iii)	Aggregate consideration	Nil	Nil
(iv)	Additional consideration realized in respect of accounts transferred in earlier years	Nil	Nil
(v)	Aggregate gain/loss over net book value	Nil	Nil

C. Details of Assignment transaction undertaken by NBFC:

(Amount in Rs. Lakhs)			
	Particulars	As at 31.03.2016	As at 31.03.2015
(i)	No. of Accounts	Nil	Nil
(ii)	Aggregate value (net of provision) on accounts sold to SC/RC	Nil	Nil
(iii)	Aggregate consideration	Nil	Nil
(iv)	Additional consideration realized in respect of accounts transferred in earlier years	Nil	Nil
(v)	Aggregate gain/loss over net book value	Nil	Nil

D. Details of Non-performing financial assets purchased/sold:
D. 1. Number of Non-performing assets purchased:

(Amount in Rs. Lakhs)			
	Particulars	As at 31.03.2016	As at 31.03.2015
1.	(a) No. of accounts purchased during the year	Nil	Nil
	(b) Aggregate Outstanding	Nil	Nil
2.	(a) Of these, the number of accounts restructured during the year	Nil	Nil
	(b) Aggregate Outstanding	Nil	Nil

D. 2. Number of Non-Performing Assets Sold:

(Amount in Rs. Lakhs)			
	Particulars	As at 31.03.2016	As at 31.03.2015
1.	No. of accounts sold	Nil	Nil
2.	Aggregate outstanding	Nil	Nil
3.	Aggregate consideration received	Nil	Nil

1.6.5. Asset Liability Management

Maturity Pattern of certain items of Assets and Liabilities

(Amount in Rs. Lakhs)									
	Up to 30/31 days	Over 1 months up to 2 months	Over 2 months up to 3 months	Over 3 months up to 6 months	Over 6 months & up to 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Deposits	4,945.00	2,055.00	-	-	-	-	-	-	7,000.00
Advances*#	30438.79	16088.07	14497.75	44903.13	85181.77	209.90	-	-	191319.41
Investments	-	-	-	-	39.56	-	-	373.42	412.98
Borrowings	2,421.25	15,509.06	2,687.58	15,361.69	37,649.72	66,761.61	25,285.16	19,871.85	1,85,547.91
Foreign currency Assets	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-

*Includes interest receivable.

#The asset maturity pattern are based on expected collections pattern of the Company based on past experience.

1.6.6. Exposures:

A. Exposure to Real Estate Sector:

(Amount in Rs. Lakhs)			
	Category	As at 31.03.2016	As at 31.03.2015
(a)	Direct Exposure		
	(i) Residential Mortgages -	Nil	Nil
	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	Nil	Nil
	(ii) Commercial Real Estate-	Nil	Nil
	Lending secured by mortgages on commercial real estates (office buildings, retail spaces, multi- purpose commercial premises, multi- family residential buildings, multi- tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction etc.). Exposure would also include non-fund based limits	Nil	Nil
	(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures-	Nil	Nil
	a. Residential	Nil	Nil
	b. Commercial Real Estate	Nil	Nil
	Total Exposure to Real Estate Sector	Nil	Nil

B. Exposure to Capital Market:

	Category	(Amount in Rs. Lakhs)	
		As at 31.03.2016	As at 31.03.2015
(i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt.	5.81	5.81
(ii)	Advance against shares/ bonds/ debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures, and units of equity mutual funds;	Nil	Nil
(iii)	Advances for any other purpose where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary securities	Nil	Nil
(iv)	Advances for any other purpose to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/ convertible bonds/ convertible debentures/ units of equity oriented mutual funds does not fully cover the advance;	Nil	Nil
(v)	Secured and unsecured advances to stock brokers and guarantees issued on behalf of the stock brokers and market makers;	Nil	Nil
(vi)	Loans sanctioned to corporates against the security of shares/ bonds/ debentures or other securities or on a clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	Nil	Nil
(vii)	Bridge loans to companies against expected equity flows/issues;	Nil	Nil
(viii)	All exposure to venture capital Funds (both registered and unregistered)	Nil	Nil
	Total Exposure to Capital Market	Nil	Nil

C. Details of financing of parent company products

Company does not have a parent company and hence disclosure is not applicable

D. Details of Single Borrower Limit (SGL)/ Group Borrower Limit (GBL) exceeded by the NBFC.

Company has not exceeded the Single Borrower Limit (SGL)/ Group Borrower Limit (GBL) during the year

E. Unsecured advances

Company does not have unsecured advances on intangible securities such as charge over rights, licenses, authorisations etc as collateral

1.6.7. Miscellaneous Disclosures:

A. Registration obtained from financial regulators:

Financial Regulator	Certificate Number
Reserve Bank of India	N-16.00175
Securities and Exchange Board of India	IN-DP-CDSL- 660- 2012
Insurance Regulatory and Development Authority of India	CA0122

B. Disclosure of Penalties imposed by RBI and other regulators:

Notice No.	Date of notice	Imposed by	Amount Rs.	Date of payment	Challan No
DNBS (T) No. 80/02.04.012/2015-16	16.07.2015	RBI	5,00,000	30.07.2015	Chq 201051

C. Related Party Transaction:

(i) List of Related Parties and their relationships with the Company:

Name and Particulars of the Related Party	Relationship with the Company
Name of the related party	Relationship
Roy M Mathew*	Key Managerial Personnel(KMP)
Nizzy Mathew	
Mathew Muthoottu	
Mammen Mathew	Director
Saramma Mammen	Relatives of Key Managerial Personnel / Director
Mono Mathew	
Minu Sara Mathew	
Nirmal Mathew	
M/s Muthoottu Mini Builders	Entity in which KMP has significant influence.
M/s Muthoottu Mini Hotels	

* Roy M Mathew ceased to be a director w.e.f. 1st March 2016

a) L(ii) List of transactions entered with the related parties during the current Financial Year:

Amount (Rs Lakhs)

Particulars	Key Managerial Personnel (KMP)	Director	Relatives of KMP / Director	Entity in which KMP has significant influence
Salary & Allowances	121.60		25.20	
Issue of Debentures	7.00	1.00		
Redemption of Debentures	298.19	4.09	2.10	
Interest on Debentures	93.37	3.06	1.80	
Travelling Expenses	12.36		1.26	
Rent/ Maintenance charges	39.35	1.96	5.11	107.82
Purchase of Assets	20,000.00			

D. Ratings Assigned by the Credit rating Agencies and the migration of ratings during the year:

Name of the Credit Rating Agency	Type of Facility	Rating Assigned	Remarks
CARE	Long Term Bank Facilities	CARE BBB- (Triple B Minus)	Upgraded from BB+
CARE	Non-convertible Debentures	CARE BBB- (Triple B Minus)	Upgraded from BB+
India Ratings	Non-convertible Debentures	IND BBB: 'Outlook Stable'	Upgraded from BB+

E. Remuneration to Non-Executive Directors:

(Amount in Rs. Lakhs)			
Sl No.	Particulars	2015-16	2014-15
1.	Sitting Fees	6.60	-
2.	Travel Expenses	0.19	-

F. Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies:

(Amount in Rs. Lakhs)		
Sl No	Particulars	Amount
1.	Net Profit / (Loss) for the period	977.96
2.	Prior Period Item - Depreciation re-computed on opening balance of fixed assets based on useful life as prescribed in Schedule II of the Companies Act, 2013	(1570.62)
3.	Prior Period Item - Interest on bank loans	(38.38)

The Prior Period items has brought down the Company's profit before tax for the year by Rs 1609.00 lakhs. Had the prior period item been not there, the Company's profit before tax for the year would have been higher at Rs 3522.27 lakhs.

G. Revenue Recognition:

The Company has recognised revenue as per the policy on revenue recognition set out in the Significant Accounting Policies. Apart from the interest on NPAs, there are no other items in respect of which revenue recognition has been postponed pending resolution of significant uncertainties.

1.6.8. Additional Disclosures:

A. Provision And Contingencies:

(Amount in Rs. Lakhs)		
Break up of "Provisions and Contingencies" shown under the head Expenditure in the Profit and Loss Account	2015-16	2014-15
Provision for depreciation on investment	73.52	Nil
Provision towards NPA	167.74	382.22
Provision made towards Income Tax	1584.52	1081.50
Other Provisions and Contingencies (with details)		
Provision for Gratuity	164.90	140.84
Provision for Standard Assets	81.90	(34.32)

B. Draw down from reserves

There is no draw down from reserves during the year

C. Concentration of Advances, Exposures and NPAs

(i) Concentration of Deposits

Since Company is not a deposit taking NBFC, this disclosure is not applicable to the Company

(ii) Concentration of Advances

(Amount in Rs. Lakhs)	
Total Advances to twenty largest borrowers	411.69
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	0.22%

(iii) Concentration of Exposures:

(Amount in Rs. Lakhs)	
Total Exposure to twenty largest borrowers/Customers	411.69
Percentage of Exposure to twenty largest borrowers/Customers to Total Exposure of the NBFC borrowers/Customers	0.22%

(iv) Concentration of NPA

(Amount in Rs. Lakhs)	
Total Exposure to top four NPA Accounts	73.37

(v) Sector-wise NPAs

Sector	Percentage of Total NPAs to Total Advances in that sector
1 Agriculture and allied activities	Nil
2 MSME	Nil
3 Corporate Borrowings	Nil
4 Services	Nil
5 Unsecured Personal Loans	Nil
6 Auto Loans	Nil
7 Other Personal Loans	2.77%

(vi) Movements in NPA

(Amount in Rs. Lakhs)		
Particulars	As at 31.03.2016	As at 31.03.2015
(i) Net NPA to Net Advances (%)	2.35	1.55
(ii) Movements in NPA (Gross)		
(a) Opening balance	3275.52	1328.75
(b) Addition during the year	3230.70	1946.77
(c) Reduction during the year	1209.31	-
(d) Closing Balance	5296.91	3275.52
(iii) Movements of Net NPAs		
(a) Opening balance	2620.41	1055.86
(b) Addition during the year	2095.51	1564.55
(c) Reduction during the year	241.86	-
(d) Closing Balance	4474.06	2620.41
(iv) Movements of Provision for NPA (excluding provision on standard assets)		
(a) Opening balance	655.10	272.88
(b) Addition during the year	1135.20	382.22
(c) Reduction during the year	967.45	-
(d) Closing Balance	822.85	655.10

(vii) Off-Balance Sheet SPVs sponsored

Company has not sponsored any off-Balance Sheet SPVs

(viii) Disclosure of Complaints

Particulars		2015-16
a	No. of complaints received during the year	18
b	No. of complaints redressed during the year	17
c	No. of complaints yet to be redressed for the year.	1



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