

ANNUAL REPORT 2017-18



Muthoottu
Mini Financiers Ltd



M. MATHEW MUTHOOTTU

KOZHENCHERRY

(Guiding light of Muthoottu)

DIRECTORS

MRS. NIZZY MATHEW

MR. MATHEW MUTHOOTTU

MR. THOMAS CHERIAN

MR. KRISHNAKUMAR K.R.

MR. MAMMAN MATHEWS

CHAIRMAN &
WHOLE TIME DIRECTOR

MANAGING DIRECTOR

INDEPENDENT DIRECTOR

INDEPENDENT DIRECTOR

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)

VISTRA ITCL(INDIA) 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. DHANALAXMI BANK
- C. STATE BANK OF INDIA
- D. ANDHRA BANK
- E. INDUS IND BANK
- F. UNION BANK OF INDIA
- G. ORIENTAL BANK OF COMMERCE

REGISTERED OFFICE

2/994, MUTHOOTTU BUILDINGS

KOZHENCHERRY, PATHANAMTHITTA-689645

CIN: U65910KL1998PLC012154

CORPORATE OFFICE

MUTHOOTTU ROYAL TOWERS,
KALOOR, KOCHI - 682017

Our Vision

To be the one-stop financial services
provider for the common man

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DIRECTORS REPORT

The Members,
Muthoottu Mini Financiers Limited

Your Directors have pleasure in presenting the Twentieth Annual Report on the business and operations of your Company together with the audited accounts for the Financial Year ended March 31, 2018.

Financial Performance

FINANCIAL RESULTS

(Rs. In lakhs)

	2017 - 18	2016 - 17
Total Revenue	33,493.39	43546.42
Total Expenditure	31,010.79	37909.85
Profit before Tax	2,482.60	5636.57
Add: Prior Period items (Net)	-	(13783.55)
Tax Expense	1058.01	38.47
Profit for the period	1,424.59	(8108.51)
Balance brought forward from previous year	-	-
Total Surplus available for appropriations	1,424.59	(8108.51)
• Surplus appropriated as follows:		
Transfer to Special Reserve	284.92	-
Transfer to Debenture Redemption Reserve	371.07	-
Surplus Carried Forward	768.60	-

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

The Authorised share capital of the Company was increased from Rs.225 Crores to Rs.325 Crores during the Financial Year 2017-18. Further there were two tranches of private placement of equity shares in the months of September 2017 and November 2017, which has taken the paid up share capital from Rs.225 crores as on March 31, 2017 to Rs. 249.525 crores as on March 31, 2018.

Particulars	No. of Shares	Face Value Rs.	Premium Rs.	Issue Size Rs.
1 st Tranche of Private placement (Issued on 29/09/2017): Issue of 1101818 Equity shares to Mr. Mathew Muthoottu and 138600 Equity shares to M/s, Muthoottu Mini Hotels Private Limited.	1240418	100	65	20,46,68,970.00

2 nd Tranche of Private placement (Issued on 01/11/2017): Issue of 1212121 of Equity shares to M/s, Muthoottu Mini Theatres Private Limited	1212121	100	65	19,99,99,965.00
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The paid up capital of your Company as on March 31, 2018 is Rs.249.525 Crores. The Company had not issued any equity shares with differential rights during the FY 2017 - 2018 and hence, the disclosure requirements under Section 43 and Rule 4 (4) of the Companies (Share Capital and Debentures) Rules, 2014 is not applicable.

Capital Adequacy

Your Company is well capitalized and has a capital adequacy ratio (Capital to risk weighted asset ratio- CRAR) of 33.90% as on March 31, 2018. 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 2017-18 has been from revenue generated from internal resources apart from bank funds .

Your company also issues NCDs under the unlisted private placement route to individuals. The Company was able to raise Rs. 24.19 Cr through Private Placement.

Additionally your Company enjoys credit facilities from 7 banks.

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. Company has transferred to DRR, Rs. 3.71Crores from our available profit and current balance in DRR is 25% (ie. Rs.131,72,72,500/-) of the stipulated amounts outstanding as at March 31, 2018.

Ratings

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

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. 5.01 lakhs has been spent towards CSR in the current Financial Year. The total amount to be spent for the Financial Year 2017-18 is Rs. 33.97 lakhs and the amounts unspent will be utilised in suitable projects identified by the company in the Financial Year 2018-19.

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.

Directors

The present strength of Board of Directors is Five (5) Directors as follows:

Category	Name of Directors
Executive Directors	<ul style="list-style-type: none"> Mathew Muthoottu, Managing Director Nizzy Mathew, Chairperson
Independent Directors	<ul style="list-style-type: none"> K R Krishnakumar Thomas Cherian
Non - Executive Directors	<ul style="list-style-type: none"> Mammen Mathews

Directors retiring by rotation:

In terms of Section 152(6) of the Companies Act 2013 and Articles of Association of the Company, Mrs. Nizzy Mathew retires by rotation at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment.

Re-appointment of Director

Mr. Mathew Muthoottu was re-appointed as Managing Director for 3 years commencing from 30/05/2018, in the meeting of Board of Directors held on 26/05/2018 and re-appointment is subject to approval by members at the Annual General Meeting. Necessary resolution including that

of remuneration to be paid 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 2017-18 were held on 08/05/2017, 29/05/2017, 24/08/2017, 28/08/2017, 29/08/2017, 01/11/2017, 10/11/2017, 01/02/2018 and 14/03/2018.

Committees of the Board

1. Audit Committee

The Audit Committee of 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 on 01/11/2017.

The Committee currently comprises 3 Directors.

Thomas Cherian	Chairman -	Non- Executive & Independent Director
K R Krishnakumar	Member Non- Executive & Independent Director	
Mathew Muthoottu	Member -	Managing Director

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

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements before submission to our Board for approval, with particular reference to:

- a. Matters required to be included in the Director's Responsibility Statement to be included in our Board's report in terms of clause (5) of Section 133 of the Companies Act;
 - b. Changes, if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgment by management;
 - d. Significant adjustments made in the financial statements arising out of audit findings;
 - e. Compliance with listing and other legal requirements relating to financial statements;
 - f. Disclosure of any related party transactions; and
 - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to our Board for approval;
 6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/Prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
 7. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 8. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
 9. Reviewing management letters / letters of internal control weaknesses issued by the statutory auditors;
 10. Discussion with internal auditors on any significant findings and follow up there on;
 11. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
 12. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
 13. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
 14. To review the functioning of the Whistle Blower mechanism, as adopted by the Company;
 15. Approval of appointment of Chief Financial Officer (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate; and
 16. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee or as maybe statutorily required to be carried out by the Audit Committee.
- The powers of the Audit Committee shall include the power:**
1. To invite such of the executives, as it considers appropriate (and particularly the head of finance function) to be present at the meetings of the Committee;
 2. To investigate any activity within its terms of reference;
 3. To seek information from any employee;
 4. To obtain outside legal or other professional advice; and
 5. To secure attendance of outsiders with relevant expertise, if it considers necessary.
- Audit Committee shall mandatorily review the following information:**

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

2. Nomination and Remuneration Committee

The Nomination and Remuneration Committee was formed pursuant to Section 178 of the Companies Act, vide board resolution dated April 10, 2014, was reconstituted on 01/11/2017.

The committee consists of the following members:

Thomas Cherian	Chairman	Non- Executive & Independent Director
K R Krishnakumar	Member	Non- Executive & Independent Director
Mammen Mathew	Member	Non- Executive Director

Terms of reference of the Nomination and Remuneration Committee include the following:

1. Identify persons who are qualified to become directors and may be appointed in senior management in accordance with criteria is laid down, recommended to the Board their appointment and removal and shall carry out evaluation of every director's performance.
2. Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, Key managerial personnel and other employees.
3. Ensure that:

- a. The level and composition of remuneration is reasonable and sufficient to attract, retained motivate directors of the quality required to run the company successfully;
- b. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- c. Remuneration to director, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

3. Stakeholders Relationship Committee

The Investor Grievance Committee constituted by a board resolution dated December 10, 2013, has been renamed as "Stakeholders Relationship Committee" as per the provisions of Section 178(5) of Companies Act, 2013, reconstituted on 01/11/2017, currently consists the following members:

Name of the Director	Designation in Committee	
Nature of Directorship		
Thomas Cherian	Chairman	Independent Director
Nizzy Mathew	Member	Wholtime Director
Mathew Muthoottu	Member	Managing Director

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

1. Efficient transfer of shares including review of cases for refusal of transfer / transmission of shares and debentures;
2. Redressing of shareholders and investor complaints such as non-receipt of declared dividend, annual report, Debenture Certificates, interest payments transfer of Equity Shares /Debentures and issue of duplicate/split/ consolidated share/Debenture certificates, etc.;
3. Monitoring transfers, transmissions, dematerialization, re-materialization, splitting and consolidation of Equity Shares, debentures and other securities issued by the Company, including review of cases for refusal of transfer/transmission of shares and debentures;

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

4. Corporate Social Responsibility Committee ("CSR Committee")

The CSR Committee has been constituted vide a board resolution dated April 10, 2014 and was reconstituted on March 7, 2016 as per the provisions of Companies Act, 2013 with following members:

Name of the Director	Designation in Committee	Nature of Directorship
Nizzy Mathew	Member	Wholetime Director
Mathew Muthoottu	Member	Managing Director
Thomas Cherian	Chairman	Independent Director

Terms of reference of the CSR Committee include the following:

- a. To formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as per the Companies Act, 2013;
- b. To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the company;
- c. To monitor the CSR policy of the Company from time to time;
- d. Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time;

- e. Formulate CSR Policy and recommend the same to the Board of Directors of the Company for approval;
- f. Recommend CSR activities as stated under Schedule VII of the Act;
- g. Approve to undertake CSR activities in collaboration with our group companies/ other companies/firms/ NGOs, etc. and to separately report the same in accordance with the CSR Rules.
- h. Recommend the CSR Budget;
- i. Spend the allocated CSR amount on the CSR activities once it is approved by the Board of Directors of the Company in accordance with the Act and the CSR Rules;
- j. Create transparent monitoring mechanism for implementation of CSR Initiatives in India;
- k. Submit the Reports to the Board in respect of the CSR activities undertaken by the Company;
- l. Monitor CSR Policy from time to time; and
- m. Authorize executives of the Company to attend the CSR Committee Meetings

5. 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.

Name of the Director	Designation in Committee	Nature of Directorship
Nizzy Mathew	Member	Wholetime Director
Mathew Muthoottu	Member	Managing Director
Thomas Cherian	Chairman	Independent Director

Terms of reference of the Debenture Committee include the following:

1. Determining and approving the terms and conditions of the debentures to issued, number of the Debentures

- to be issued, the timing, nature, type, pricing and such other terms and conditions of the issue including coupon rate, minimum subscription, retention of oversubscription, if any, etc.;
2. To approve and make changes to the Prospectus;
 3. To approve the final Prospectus, including any corrigendum, amendments supplements thereto, and the issue thereof;
 4. To issue and allot the Debentures;
 5. To approve all other matters relating to the issue and do all such acts, deeds, matters and things including execution of all such deeds, documents, instruments, applications and writings as it may, at its discretion, deem necessary and desirable for such purpose including without limitation the utilization of the issue proceeds, modify or alter any of the terms and conditions, including size of the Issue, as it may deem expedient, of Issue and/or early closure of the Issue.
- 3) To review and assess the quality, integrity and effectiveness of the risk management systems and ensure that the risk policies and strategies are effectively managed;
 - 4) To review and assess the nature, role, responsibility and authority of the risk management function within the MMFL and outline the scope of risk management work;
 - 5) To ensure that the MMFL has implemented an effective ongoing process to identify risk, to measure its potential impact against a broad set of assumptions and then to activate what is necessary to pro-actively manage these risks, and to decide the MMFL's appetite or tolerance for risk;
 - 6) To ensure that a systematic, documented assessment of the processes and outcomes surrounding key risks is undertaken at least annually for the purpose of making its public statement on risk management including internal control;
 - 7) To oversee formal reviews of activities associated with the effectiveness of risk management and internal control processes. A comprehensive system of control should be established to ensure that risks are mitigated and that the MMFL's objectives are attained;
 - 8) To review processes and procedures to ensure the effectiveness of internal systems of control so that decision-making capability and accuracy of reporting and financial results are always maintained at an optimal level;
 - 9) To monitor external developments relating to the practice of corporate accountability and the reporting of specifically associated risk, including emerging and prospective impacts;
 - 10) To provide an independent and objective oversight and view of the information presented by management on corporate accountability and specifically associated risk, also taking account of reports by the Audit Committee to the Board on all categories of identified risks facing MMFL.
 - 11) To review the risk bearing capacity of MMFL in light of its reserves, insurance coverage or other such financial structures

6. Risk Management Committee

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

Name of the Director	Designation in Committee	
Nature of Directorship		
Nizzy Mathew	Member	Wholtime Director
Mathew Muthoottu	Member	Managing Director
Thomas Cherian	Chairman	Independent Director

Terms of reference

- 1) To assist the Board in the execution of its risk management accountabilities, the Committee shall be charged with the following general responsibilities:
- 2) To assist the Board in setting risk strategy policies in liaison with management and in the discharge of its duties relating to corporate accountability and associated risk in terms of management assurance and reporting;

Management Committees:

1. Investment Committee

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

- | | |
|---------------------------|---------------------------|
| 1. Mr. Mathew Muthoottu | -Managing Director. |
| 2. Mr. Thomas Cherian | -Independent Director |
| 3. Mr. K. George Varghese | -Chief Operating Officer. |
| 4. 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 27, 2017. The Asset Liability Management Committee comprises:

- | | |
|---------------------------|---------------------------|
| 1. Mr. Mathew Muthoottu | - Managing Director |
| 2. Mr. Thomas Cherian | - Independent Director |
| 3. Mr. K. George Varghese | - Chief Operating Officer |
| 4. Mrs. Ann Mary George | - Chief Financial Officer |

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

1. To ensure that the asset liability management strategy and Company's market risk management policies are implemented;
2. To provide a strategic framework to identify, assess,

quality and manage market risk, liquidity risk, interest rate risk, price risk etc.

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

Key Managerial Personnel

Mr. Mathew Muthoottu – Managing Director, Mrs. Nizzy Mathew – Chairman & 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.

The remuneration paid to KMP form part of the Extract of the Annual Report annexed to this report

Directors' Responsibility Statement

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

- i. That in preparation of the annual financial statements for the year ended March 31, 2018 the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
- ii. That appropriate accounting policies have been selected and applied consistently and judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended March 31, 2018 and of the profit of the Company for the said year.
- iii. That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. That the annual accounts have been prepared on a going concern basis.
- v. The Company has an established internal financial control framework including internal controls over financial reporting, operating controls and for the prevention and detection of frauds and errors. The framework is reviewed periodically by management and tested by the internal audit team appointed by the management to conduct the internal audit. Based on the periodical testing, the framework is strengthened

from time to time to ensure the adequacy and effectiveness of internal financial controls and

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

Board Evaluation:

Pursuant to Section 178 (3) of the Companies Act, 2013, the Nomination & Remuneration Committee of the Company has formulated the criteria for determining qualifications, positive attributes and independence of Director and recommended to the Board a policy on remuneration of the Directors, Key Managerial Personnel and other employees. The Policy also includes the norms for evaluation of the Board, its Committees and individual Directors.

The Nomination & Remuneration Committee reviewed the performance of the individual Directors on the basis of the duly filled evaluation forms submitted by the Directors. Each evaluation form prescribes various norms for evaluation such as understanding and knowledge of the market in which the Company is operating, ability to appreciate the working of the Company and the challenges it faces, composition of the Board and its Committees, attendance of meetings of the Board and its Committees, extent of participation and involvement in the meetings.

Separate meeting of Independent Directors was conducted during the FY 2017 - 2018, to review:

- a) The performance of the Non-Independent Directors and the Board as a whole;
- b) The performance of the Chairman of the Company; and
- c) The quality, quantity and timeliness of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

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

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Sexual Harassment Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary and trainees) are covered under this policy.

The following is a summary of sexual harassment complaints received and disposed during the year 2017-18

Complaint Status:

Opening	Received during the year	Disposed during the year	Pending cases
Nil	0	0	Nil

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. The brief details of major transaction are as under:

The Company owns a flat admeasuring 8795 sq.ft at vazhakkala with 9.09% undivided right over 20.23 ares of land in Re Survey No.48/4 of Vazhakala Village vide Sale Deed No.1284/2017 of Thrikkakara SRO but the property is remaining idle and not put to productive use by the Company. The Managing Director came forward with the suggestion of promoters buying this property at the market prices and a valuation report was obtained from an approved valuer to assess the value of the property.

The valuation report assessed the value at Rs. 6.75 crores.

However as the market rate is slightly higher, the promoters offered a sum of Rs. 8,81,00,000/-, which was accepted by 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.

Statutory Auditors

Pursuant to the provisions of Section 139 and 141 of the Companies Act, 2013, M/s Vishnu Rajendran & co, Chartered Accountants, were reappointed as Statutory Auditors of the Company to hold office up to Annual General meeting approving financials for the financial year 2019-20.

Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013, the Board of Directors at its meeting held on 14/03/2018 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 2017-18.

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

Significant and Material Orders

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

Report on Frauds

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

The frauds, as detailed hereunder were reported to Reserve Bank of India during the period 01.04.2017 to 31.03.2018

Sl. No.	BRANCH	DATE OF DETECTION	AMOUNT (Lakhs)	NAME OF THE PRINCIPAL PARTY	MODUS OPERANDI & ACTION TAKEN	RECOVERY (Lakh)
1	N R Pura	03-06-2017	1.16	Mr. Vinod Kumar M R	The branch in charge removed ornaments in four packets and accepted spurious gold for pledge	1.16
2	Sattena-palli	17-07-2017	41.80	Mr.Sikha Kiran Kumar , Mr.Gudipudi Siva Gangadhar, Mr.Guntupalli Baji Babu	All 3 staff members colluded to commit the fraud. Intentionally inflating weight of ornaments / preparing fake pledge documents / renewing existing loans for higher amounts without borrowers' knowledge.	18.00

Details of Auctions Held During the Year 2017-18

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)
2017-18	39,912	14,759.79	6,285.84	21,045.64	18,750.49

Note:

No sister concerns participated in the auctions during the year ended March 31, 2018

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 interalia 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.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry outlook

India has a diversified financial sector undergoing rapid expansion, both in terms of strong growth of existing financial services firms and new entities entering the market. The GDP is expected to grow at 7.4% in 2018 and 7.8% in 2019, according to the IMF, on the back of cyclical economic recovery, consistent reforms and concurrent uptick in global growth.

Non-Banking Finance Companies (NBFCs) play an important role in promoting inclusive growth in the country, by catering to the diverse financial needs of bank excluded customers. NBFCs are financial intermediaries engaged in the business of accepting deposits delivering credit and play an important role in channelizing the scarce financial resources to capital formation. They supplement the role of the banking sector in meeting the increasing financial needs of the corporate sector, delivering credit to the unorganized sector and to small local borrowers. Thus, NBFCs have all the key characteristics to enable the government and the regulator to achieve their stated mission of financial inclusion.

Gold loan Industry

Though gold is a highly liquid asset, it wasn't until recently that consumers leveraged it effectively to meet their liquidity needs. Lenders provide loans by securing gold assets as collateral. Compared with the rest of the world, Gold loans occupy a special place among Indian financial service providers. Until a decade back, most of the lending was in the unorganized sector through pawnbrokers and money lenders. However, this scenario changed with the entrance of organized sector players such as banks and non-banking finance companies (NBFCs).

NBFCs help fill gaps in the availability of financial services with respect to products as well as customer and geographic segments. A strong linkage at the grassroots level makes them a critical cog in the financial machine. They cater to the unbanked masses in rural and semi-urban reaches and lend to the informal sector and people without credit histories, thereby enabling the government and regulators to realise the 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.

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, 2018 comprised of 4,11,558 gold loan accounts aggregating to Rs. 1447,95,30,469.42 which is 88.79% of our total loans and advances as on that date. We, as on March 31, 2018 have a network of 767 branches spread in the states of Kerala, Tamil Nadu, Karnataka, Andhra Pradesh, Telangana, Delhi, Goa, Haryana, Uttar Pradesh, Pondicherry and Maharashtra and we employ 3171 persons in our business operations.

GOLD LOAN INITIATIVES:

Online Gold Loan

Online Gold Loan is a concept of giving loan amount to the customer's Bank account instantly. This will reduce the burden of cash management in the branches as well as reduction in cash management costs.

Indo-Nepal Remittance

A large number of Nepalese, both skilled and unskilled, works in India. To facilitate a safe and cost-effective way for these migrants to remit money to their homes back in Nepal, the government has a scheme called Indo-Nepal Remittance Facility. The money is given to the beneficiary in Nepal currency or in the beneficiary bank account directly.

MM Pre Pay

Customers are always looking for interest rates and value for their gold to get maximum loan amount to meet the financial requirement. MMFL have come with a solution for this for a shorter period to maximize the customer satisfaction and gold loan business. MM Pre Pay is a solution to meet the financial requirements of the people by paying the interest in advance without the burden of accumulating interest by the end of the loan period and to maximize the customer satisfaction and improve the gold loan business.

Smart Pay

Smart pay is Online Interest Payment Solution- 'Smart Pay' for our valued customers. By using online interest payment solution old loan customers can directly pay interest and part payment of the loan anywhere from the world by using their debit card/net banking facility without visiting our branch. This will help to manage interest slab changes, since the customer can pay the interest in his/ her convenient.

Mahila Loan

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

MM Aaswas

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

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 / with Ria Money Transfer Services (P) Ltd for Ria Money Transfer / with Muthoot Forex Ltd for Royal Money.
- PAN Card - We have entered into a tie up with UTI Infrastructure Technology And Services Limited for collecting application forms for PAN Card. Muthoottu Mini as a PAN Service Agent (PSA) will collect and receive the PAN application forms from the applicants and provide other related 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 / Oriental General Insurance.

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 branch 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.
- **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.

New Business- MICROFINANCE

As a part of social commitment for the upliftment of the lower strata people in the society and strategy for diversification of products, Muthoottu M Mathew Group entered into Microfinance sector in November 2016 with 20 branches in the state of Kerala. As of now the company has disbursed Rs.95 Cr of priority sector loans to more than 40000 women entrepreneurs who are engaged in any income generating activities.

Microfinance is a separate division under the NBFC Muthoottu Mini financiers Ltd which is managed by a separate experienced team of staff. The division, which currently has 44 branches is planning to expand conservatively and is expected to reach AUM of 125 Crores by March 2019.

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, 2018, your Company had 3171 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 2017 - 18

CSR Policy

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

The Company shall be undertaking activities in the following areas:

1. Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water
2. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects
3. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups
4. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water(Including Contribution to the Clean ganga Fund set up by the central Govt. For rejuvenation of river Ganga)
5. Protection of national heritage, art and culture including restoration of building and sites of historical importance and works of art and setting up of public libraries
6. Measures for the benefit of armed forces veterans, war widows and their dependents
7. Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports

8. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Schedules Castes, the Scheduled Tribes, other backward classes, minorities and women
9. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government.
10. Rural Development projects and Slum Area Development on areas declared by central/state Govt/ as slum areas.

Composition of the CSR Committee:

- i. Mr. Mathew Muthoottu - Managing Director
- ii. Mrs. Nizzy Mathew - Chairperson & Whole time Director
- iii. Mr. Thomas Cherian - Independent Director

Average net profit of the company for last three (3) financial years of the Company:

Particulars	2014-15	2015-16	2016-17
Profit as per the financials	184,780,831.00	97,796,895.00	568695831.98
Prior Period Expense	279602105.74	462,611,126.02	-2710339.83
Net Amount	(94,821,274.74)	(364,814,231.02)	571406171.81

1. Prescribed CSR Expenditure (two percent (2%) of the average net profits Rs. 7,45,138/-
2. Details of CSR spend for the financial year: As detailed in table hereunder
 - a. Carry forward CSR amount to be spent in the financial year 2017-18:Rs. 26,52,264/-



- b. Amount spent during the year Rs. 5,00,752/-
- c. Balance remainig to be spent: Rs. 28,96,650/- *

SL No.	CSR project or activity identified	Sector in which the project is covered	Project or programme (1) Local areas or other (2) Specify the state and district in which project or programs was undertaken	Amount outlay-project or programs wise (Rs.)	Amount spent on the projects or programs (Rs.)	Cumulative expenditure upto the reporting period (Rs.)	Amount spent Direct or through implementing agency
1.	Ardra Social Service Society	Eradication of hunger and poverty	Kerala	25,000	25,000	25,000	Direct
2.	Conducted Health awareness Camp Through Branches	Healthcare	Pan India	1,90,752	1,90,752	1,90,752	Direct
3.	Documentary Related to Waste Management Services	Ensuring environmental sustainability	Kerala	2,30,000	2,30,000	2,30,000	Direct
4.	Providing educational facilities for underprivileged	Promotion of education	Kerala	25,000	25,000	25,000	Direct
	TOTAL			5,00,752	5,00,752	5,00,752	

*The Board decided to carry forward the unspent amount Rs. 28,96,650/- to the next financial year.

ANNEXURE - 2

FORM NO. AOC -2

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

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

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

SI No	Name (s) of the Related Party	Nature of Arrangements & Nature of Relationship	Duration of the Arrangements	Tansaction value (in Rs.)
1	Mathew Muthoottu	Rent paid	One year	3,15,000
		Interest paid on debentures	-	76,500
		Salary received	One Year	60,00,000
		Travelling	-	80,515
		Sale of Fixed Asset	-	8,81,00,000
2	Nizzy Mathew	Rent paid	One year	1,40,000
		Interest paid on debentures	-	99,729
		Salary received	Two years	51,60,000
		Travelling	-	45,841
		Rent received	One year	3,54,000
		Redemption of Debentures	-	75,000
3	Mammen Mathews	Rent paid	One year	1,68,000
		Sitting fees	2 meetings	40,000
		Interest paid on debentures	-	36,530
4	Roy M Mathew	Rent paid	One year	3,25,000
		Interest on Debentures	-	67,124
		Redemption of Debentures	-	12,25,000
5	Samma Mammen	Rent paid	One year	8,76,174
		Salary	-	18,00,000
		Interest on Debentures	-	2,39,395
		Redemption of Debentures	-	12,25,000
6	Nirmal Mathew	Rent paid	One year	2,83,956
		Interest paid on debentures	-	13,430
7	Mini Muthoottu Nidhi Kerala Ltd	Rent paid	One year	3,00,000
		Rent Received	One year	39,24,000
8	Mini Muthoottu Nirman & Real Estate Pvt Ltd	Rent paid	One year	84,000
9	Muthoottu Mini Hotels Pvt Ltd	Rent paid	One year	1,75,000

ANNEXURE-3

FORM NO. MR - 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

[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]

To
 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, 2018 ('Audit Period') complied with statutory provisions listed hereunder:

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, 2018, as per the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under to the extent of its applicability;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under to the extent of its applicability;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, to the extent the same was applicable to the Company
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent of its applicability:-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011- Not applicable since the Company is not equity listed Company
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; Not applicable since the Company is not equity listed Company
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; Not applicable since the Company is not equity listed Company
 - (e) The Securities and Exchange Board of India (Issue

and Listing of Debt Securities) Regulations, 2008

- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 Not applicable since the Company is not equity listed Company and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India
- (ii) The Debt Listing Agreements entered into by the Company with Stock Exchanges;
- (ii) 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 except delay in filing some of Statutory returns with various Statutory authorities. But the Company has filed theses returns with applicable additional fees. As informed and declaration given by the Company, no statutory body/ authorities imposed any fine or penalty on the Company under the various provisions of the applicable regulations.

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. The company has conducted meaningful evaluation of board of directors of the Company as required under the act.

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 in pursuance of the laws, rules, regulations, guidelines, etc, referred to above.

For Satheesh and Remesh, Company Secretaries

Satheesh Kumar N
 CP No. 6607
 Date.26/05/2018

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

ANNEXURE - A

To

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

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express as opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test-check basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, Rules, Regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test-check basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Satheesh and Remesh,
Company Secretaries

Satheesh Kumar N
CP No. 6607
Date. 26/05/2018

ANNEXURE - 4

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

as on financial year ended on 31.03.2018

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

I. REGISTRATION & OTHER DETAILS:

i	CIN	U65910KL1998PLC012154
ii	Registration Date	18-Mar-98
iii	Name of the Company	MUTHOOTTU MINI FINANCIERS LIMITED
iv	Category/Sub-category of the Company	PUBLIC LIMITED COMPANY
v	Address of the Registered office & contact details	2/994, MUTHOOTTU BUILDINGS, KOZHENCHERRY, PATHANAMTHITTA – 689 641, KERALA, INDIA E-mail- cs@minimuthoottu.com
vi	Whether listed company	DEBT LISTED COMPANY
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India(Private) Limited. 247 Park , C 101, 1st Floor , LBS Marg , Vikhroli (W) , Mumbai – 400 083 Tel : 91 22 49186000 e-mail : bonds.helpdesk@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

SL No	Name & Description of main products/services	NIC Code of the Product / service	% to total turnover of the company
1.	GOLD LOANS	99711352	94.85%

PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

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

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

Category of Shareholders	No. of Shares held at the beginning of the year	No. of Shares held at the end of the year	% Change in year
--------------------------	---	---	------------------

	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individuals/HUF	0	1,80,32,535	1,80,32,535	80.14	0	1,91,34,353	1,91,34,353	76.683	-3.457
b) Central Govt. or State Govt.	NIL								
c) Bodies Corporates	0	44,67,460	44,67,460	19.86	0	58,18,181	58,18,181	23.316	3.457
d) Bank/FI	NIL								
e) Any other	NIL								
SUB TOTAL:(A) (1)	0	2,24,99,995	2,24,99,995	99.99	0	2,49,52,534	2,49,52,534	99.99	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	2,24,99,995	2,24,99,995	99.99	0	2,49,52,534	2,49,52,534	99.99	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	0	5	5	0.00	0	5	5	0.00	0
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):	0	5	5	0.00	0	5	5	0.00	0
Total Public Shareholding (B)= (B)(1)+(B)(2)	0	0	0	0	0	0	0	0	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	0	2,25,00,000	2,25,00,000	100.00	0	2,49,52,539	2,49,52,539	100	0

SHARE HOLDING OF PROMOTERS

Sl No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No of shares	% of total shares of the company	% of shares pledged/encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged/encumbered to total shares	
1	Mathew Muthoottu	13678094	60.79	Nil	14779912	59.23	Nil	-1.56
2	Nizzy Mathew	3354446	14.91	Nil	3354446	13.44	Nil	-1.47
3	Muthoottu Mini hotels Private Limited	2412698	10.72	Nil	2551298	10.22	Nil	-0.50
4	Mini Muthoottu credit India Private Limited	1419841	6.31	Nil	1419841	5.69	Nil	-0.62
5	Roy M. Mathew	999995	4.44	Nil	999995	4.01	Nil	-0.43
6	RMM Properties India Private Limited	629207	2.80	Nil	629207	2.52	Nil	-0.28
7	Muthoottu Mini theatres private limited	5714	0.02	Nil	1217835	4.88	Nil	4.86
	Total	22499995	99.99	Nil	24952534	99.99	Nil	0

V. CHANGE IN PROMOTERS/PROMOTER GROUP SHAREHOLDING

Sl. No		Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year	22499995	99.99	24952534	99.99
	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)	1. 29-09-2017: Preferential Allotment of 11,01,818 Equity Shares to Mr. Mathew Muthoottu and 1,38,600 Equity Shares to Muthoottu Mini Hotels Private Limited 2. 01-11-2017: Preferential Allotment of 1212121 Equity Shares to Muthoottu Mini Theatres Private Limited			
	At the end of the year	22499995	99.99	24952534	99.99

VI. SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECT ORS, PROMOTERS & HOLDERS OF GDRS & ADRS)

Sl. No		Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
1	For Each of the Top 10 Shareholders	No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
2	At the beginning of the year	NOT APPLICABLE. 99.99% Shares held by promoters/promoter group			
3	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)				
4	At the end of the year (or on the date of separation, if separated during the year)				

VII. SHAREHOLDING OF DIRECTORS & KMP

Sl. 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
1.	Mathew Muthoottu-Whole time Director	13678094	60.79	14779912	59.23
2.	Nizzy Mathew-Whole time Director	3354446	14.91	3354446	13.44
3.	Ann Mary George -CFO	0	0.00	0	0.00
4.	K S Smitha- Company Secretary	0	0.00	0	0.00

VIII. 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.)	Total Indebtedness (Rs.in lakhs)
Indebtedness at the beginning of the financial year			NIL	
i) Principal Amount	1,17,326.3	44,463.78		1,61,790.08
ii) Interest due but not paid	-	-		-
lii) Interest accrued but not due	21,074.23	8,063.39		29,137.62
Total (i+ii+iii)	1,38,400.53	52,527.17		1,90,927.70
Change in Indebtedness during the financial year				
Additions	1664	655		2,319
Reduction	39,621.74	153.24		39,774.98
Net Change	-37,957.74	501.76		-37,455.98
Indebtedness at the end of the financial year				
i) Principal Amount	79,368.56	44,965.54		1,24,334.10
ii) Interest due but not paid	-	-		-
iii) Interest accrued but not due	15,134.67	13,379.750		28,514.42
Total (i+ii+iii)	94,503.23	58,345.29	1,52,848.52	

IX. 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	Nizzy Mathew	Mathew Muthoottu	
	(a) Salary as per provisions of Sn 17(1) of the Income Tax. 1961.	Rs. 51,60,000	Rs. 60,00,000	Rs. 1,11,60,000
	(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. 51,60,000	Rs. 60,00,000	Rs. 1,11,60,000

B. REMUNERATION TO OTHER DIRECTORS:

Sl.No	Particulars of Remuneration	Name of the Directors			
1	Independent/Non-Executive Directors	Thomas Cherian	Philomina Thomas	Mammen Mathews	K R Krishnakumar
	(a) Fee for attending Board / committee meetings Rs.)	1,40,000	40,000	40,000	80,000
	(b) Commission	-	-	-	-
	(c) Others, please specify	-	-	-	-
	Total	1,40,000	40,000	40,000	80,000

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. 17,05,000	Rs. 20,42,000	Rs. 37,47,000
	(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. 17,05,000	Rs. 20,42,000	Rs. 37,47,000

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

NIL

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 :	Mathew Muthoottu
2	Designation of the employee	Managing Director
3	Nature of employment, whether contractual or otherwise	Employment contractual
4	Qualification and experience of the employee	Bachelor's degree in Commerce, 6 years in NBFC & Financial Institutions.
5	Date of commencement of employment	07/03/2008
6.	The age of such employee:	28
7	The last employment held by such employee before joining the company	NA
8	The percentage of equity shares held by the employee in the company	59.23%
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	Nizzy Mathew (Mother)

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, 2018, 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 ('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 flow of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply

with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, 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 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, 2018, and its profit and its cash flow for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by the Non-Banking Financial Companies Auditors' Report (Reserve Bank) Direction, 2016, we give in "Annexure 2", an additional Audit Report addressed to the Board of Directors containing our statements on the matters specified therein.

3. As required by section 143 (3) of the Act, we report that:-
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purpose of our audit have been extracted from the branch accounts forming part of the books of accounts of the company.
 - c) No report on the accounts of any of the branch offices audited under sub-section (8) by any person, has been received by us and therefore no comments needs to be made on the matter.
 - d) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - e) 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.
 - f) 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.
 - g) On the basis of the written representations received from the directors as on 31st March, 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018, from being appointed as a director in terms of section 164 (2) of the Act.
 - h) In our opinion there are no qualifications, reservations or adverse remarks relating to the maintenance of accounts and other matters connected therewith.
 - i) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, a separate report in "Annexure 3" is attached.
 - j) 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:-
 - i. the Company has disclosed the impact of pending litigation on its financial position in its financial statements, to the extend applicable.
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses to be provided for.
 - iii. 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.
 - iv. According to the information provided, no other matter has been identified to be reported.

Place : Kochi
 Date : May 26th, 2018

For Vishnu Rahjendran & Co.
 Chartered Accountants
 FRN 004741S

Mesfin Zacharias Abraham, FCA
 Partner
 M.No: 208529

ANNEXURE I

TO THE INDEPENDENT AUDITORS' REPORT

Annexure '1' Referred to in our report to the members of Muthoottu Mini financiers Limited for the year ended on 31st March, 2018) .We report that:

(i) In respect of the Company's fixed assets:

- a. The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. As per the documents produced for our verification and the information provided, there is a regular program of physical verification of the fixed assets of the company, which in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies have been noticed as reported on such verification.
- 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.

(ii) The Company's business does not require holding of physical inventories and so no statement needs to be made under para 3(iii) of the Order.

(iii) 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.

(iv) 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.

(v) The Company has not accepted any deposits from the public. Accordingly, no statement is required to be made under paragraph 3(v) of the Order.

(vi) The Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products/services of the Company.

(vii) (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 ,goods and service tax, cess and other material statutory dues except unreconciled amount of GST if any 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, goods and service tax, cess and other material statutory dues were in arrears as at 31st March, 2018, pending for a period of more than six months from the date they became payable.

(b) As per the records produced for our verification and information and explanations provided to us there are no dues of income tax, value added tax, sales tax, service tax, goods and service tax, cess and other material statutory dues, which have not been deposited on account of any dispute except the following:

Forum where the dispute is pending	Period of Dispute	Amount
Commissioner of Income tax (Appeals), Kottayam	AY 2010-11	3,92,224
Commissioner of Income tax (Appeals), Kottayam	AY 2011-12	1,50,33,550
Commissioner of Income tax (Appeals), Kottayam	AY 2012-13	62,38,410
Commissioner of Income tax (Appeals), Kottayam	AY 2012-13	2,88,57,170
CPC	AY 2013-14	56,804
CPC	AY 2013-14	1,91,83,610
Deputy Commissioner, Dept. of Commercial Taxes, Ernakulam	FY 2012-13	4,59,000

(viii) 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.

(ix) According to the information and explanations provided to us and based on the examination of the records of the Company, the money raised by way of term loans has been applied for the purpose for which they were obtained.

(x) According to the information and explanations provided to us:

a) there have been certain instances of fraud by employees of the Company amounting to Rs.42.96 lakhs across 2 branches of the company of which Rs.19.16 lakhs have been recovered during the period.

b) no fraud by the Company has been noticed or reported during the course of our audit.

(xi) 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.

(xii) 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.

(xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) The Company has made private placement of 24,52,539 shares at Rs. 165 during the year, complying with the requirements of section 42 of the Act and the amount raised have been used for the purposes for which the funds were raised.

(xv) 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.

(xvi) The Company is required to be registered and is duly registered under Section 45-IA of the Reserve Bank of India Act, 1934.

Place : Kochi
Date : May 26th, 2018

For Vishnu Rahjendran & Co.
Chartered Accountants
FRN 004741S

Mesfin Zacharias Abraham, FCA
Partner
M.No: 208529

ANNEXURE II

THE INDEPENDENT AUDITORS' REPORT

The "Annexure 2" referred to in the Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31st March, 2018;

To
 The Board of Directors
 Muthoottu Mini Financiers Limited

As required by the Non-Banking Financial Companies Auditors' Report (Reserve Bank) Directions 2016, we give below a statement on the matters specified in the said directions based on the information and explanations provided by the company:

- (i) The Company is engaged in the business of Non-Banking Financial institution and it has obtained the Certificate of Registration No. N-16.00175, dated 1st January 2014 as provided in section 45 IA of the RBI Act, 1934.
- (ii) The Company is entitled to continue to hold the Certificate of Registration in terms of its Principal Business Criteria i.e. Financial Asset/Income Pattern as on 31st March, 2018.
- (iii) The Company is meeting the required net owned fund as laid down in Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.
- (iv) The Board of Directors of the company has passed a resolution for non-acceptance of Public Deposits.
- (v) The Company has not accepted any public deposits during the year.

(vi) According to the information and explanation given to us, the Company has complied with the prudential norms on Income Recognition, Accounting Standards, Asset Classification and Provisioning for bad and doubtful debts as applicable to it in terms of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

(vii) As per Master Direction – Non Banking Financial Company -Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016:

- (a) The capital adequacy ratio as disclosed in the return, has been correctly arrived at and such ratio is in compliance with the minimum CRAR prescribed by the Bank;
- (b) The company has furnished to the Bank the annual statement of capital funds, risk assets and risk asset ratio within the stipulated period.

(viii) The company is not required to be classified as NBFC Micro Finance Institutions (MFI) as defined in paragraph 3(xix) of the Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

Place : Kochi
 Date : May 26th, 2018

For Vishnu Rahjendran & Co.
 Chartered Accountants
 FRN 004741S

Mesfin Zacharias Abraham, FCA
 Partner
 M.No: 208529

ANNEXURE III

THE INDEPENDENT AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of Muthoottu Mini Financiers Limited ("the Company") as of 31st March, 2018, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over 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' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with 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 31st March, 2018, 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.

Place : Kochi
Date : May 26th, 2018

For Vishnu Rahjendran & Co.
Chartered Accountants
FRN 004741S

Mesfin Zacharias Abraham, FCA
Partner
M.No: 208529

MUTHOOTTU MINI FINANCIERS LIMITED

Muthoottu Buildings, Kozhencherry, Pathanamthitta - 689 641

BALANCE SHEET

(Rupees in Lakhs)

Particulars	Note No.	As at 31/03/2018	As at 31/03/2017
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	A	24,952.54	22,500.00
(b) Reserves and Surplus	B	17,679.52	14,660.78
(2) Share application money pending allotment		-	-
(3) Non-current Liabilities			
(a) Long-term borrowings	C	56,809.60	84,039.82
(b) Deferred tax liabilities (Net)			
(d) Long-term provisions	D	18,317.15	19,099.99
(4) Current Liabilities			
(a) Short-term borrowings	E	37,795.19	38,330.00
(b) Other Current liabilities	F	41,400.44	51,072.81
(c) Short Term Provisions	G	1,395.94	1,434.89
TOTAL		1,98,350.38	2,31,138.29
II. ASSETS			
(1) Non-current assets			
(a) Fixed Assets			
(i) Tangible Assets	H	20,171.24	21,987.41
(ii) Intangible Asset	I	31.58	80.84
(iii) Capital work-in-progress		-	-
(b) Non-current investments	J	5.81	5.81
(c) Deferred Tax assets (Net)		727.40	795.00
(d) Long term loans and advances	K	1,983.64	2,202.37
(2) Current Assets			
(a) Current Investments	L	-	-
(d) Cash and cash equivalents	M	10,212.30	7,784.98
(e) Short-term loans and advances	N	1,63,078.52	1,95,940.49
(f) Other current assets	O	2,139.89	2,341.39
TOTAL		1,98,350.38	2,31,138.29

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

Mesfin Zacharias Abraham, FCA
Partner (M.No.208529)

Ann Mary George , ACA
Chief Financial Officer

K S Smitha, ACS
Company Secretary

Place : Kochi
Date : 26th May, 2018

MUTHOOTTU MINI FINANCIERS LIMITED

Muthoottu Buildings, Kozhencherry, Pathanamthitta - 689 641

STATEMENT OF PROFIT AND LOSS

(Rupees in Lakhs)

Particulars	Note No.	For the Year ended 31/03/2018	For the Year ended 31/03/2017
I Revenue from operations	P	33,260.16	43,391.40
II Other Income	Q	233.23	155.02
III Total Revenue (I + II)		33,493.39	43,546.42
IV Expenses			
(a) Employee benefits expenses	R	6,208.98	6,446.80
(b) Finance Costs	S	19,493.31	24,490.25
(c) Depreciation and amortization expenses	T	1,343.45	1,753.91
(d) Other expenses	U	3,965.05	5,218.89
Total Expenses		31,010.79	37,909.85
V Profit Before Tax		2,482.60	5,636.57
Add: Prior Period Items (net)		-	(13,783.55)
		2,482.60	(8,146.98)
VI Tax Expenses			
(a) Current Tax/ MAT		990.41	12.50
(b) Deferred Tax		67.60	(50.97)
VII Profit/ (Loss) for the period		1,424.59	(8,108.51)
VIII Earnings per share:			
(a) Basic		4.31	(36.04)
(b) Diluted		4.31	(36.04)

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

Mesfin Zacharias Abraham, FCA

Partner (M.No.208529)

Ann Mary George ,ACA

Chief Financial Officer

K S Smitha, ACS

Company Secretary

Place : Kochi

Date : 26th May, 2018

MUTHOOTTU MINI FINANCIERS LIMITED

Muthoottu Buildings, Kozhencherry, Pathanamthitta - 689 641

CASH FLOW STATEMENT

(Rupees in Lakhs)

Particulars	For the year ended 31.03.2018		For the year ended 31.03.2017	
A. Cash Flow from Operating Activities				
Profit before tax after prior period adjustments		2,482.60		(8,146.98)
Adjustments for :				
Changes in working capital				
Provision for Standard Assets	(11.58)		97.63	
Provision for NPA	(27.38)		3.70	
Provision for Gratuity (Net)	37.26		(310.34)	
Provision for diminution in value of investment	-		-	
Investment written off	-		294.09	
(Profit) / Loss on Sale of assets	(75.18)		(40.07)	
Finance Cost	19,493.31		24,490.25	
Depreciation	1,196.13		1,495.82	
Prior Period Item	-		15,451.29	
Income from Non-Operating Business	(0.19)	20,612.37	(0.23)	41,482.14
Operating Profit / (Loss) before working capital Adjustments		23,094.97		33,335.16
Adjustments for :				
((Increase)/Decrease)				
Short term loans & Advances	32,861.96		(4,621.07)	
Long Term Loans & Advances	218.73		722.81	
Current Investment	-		39.56	
Other Current Assets	201.50		213.01	
Short term borrowings	(534.81)		19,707.45	
Current Liabilities	(9,672.37)	23,075.02	(7,911.99)	8,149.77
Cash Generated from operations		46,170.00		41,484.93
Income Tax paid / Provisions		990.41		1,190.23
Net Cash Flow from Operating Activity		45,179.59		40,294.70
B. Cash Flow from Investment Activities				
Income from Investment		0.19		0.23
Sale of Fixed Assets		954.12		9,140.82
Purchase of Fixed Assets		(209.64)		(422.33)
Net Cash Flow from Investment Activity		744.66		8,718.72
C. Cash Flow from Financing Activity				
Increase/(Decrease) in Long Term Borrowings		(28,050.32)		(14,083.83)
Finance Cost		(19,493.31)		(39,953.46)
Increase/(Decrease) in Capital incl. Securities Premium		4,046.69		-
Net Cash Flow from Financing Activity		(43,496.94)		(54,037.29)

Net Increase/(Decrease)in Cash & Cash Equivalents(A+B+C)		2,427.32	(5,023.87)
Opening Balance of Cash & Cash Equivalents		7,784.98	12,808.85
Closing Balance of Cash & Cash Equivalents		10,212.30	7,784.98
Components of Cash and Cash Equivalents			
Current Account with Banks		6,586.09	2,447.40
Deposit with Banks		2,227.92	3,897.27
Cash in Hand		1,398.29	1,440.31
		10,212.30	7,784.98

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

Mesfin Zacharias Abraham, FCA
 Partner (M.No.208529)

Ann Mary George
 Chief Financial Officer

K S Smitha
 Company Secretary

Place : Kochi
 Date : 26th May, 2018

ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

A. Share Capital

(Rupees in Lakhs)

Particulars	As at 31/03/2018		As at 31/03/2017	
	Number	Amount	Number	Amount
Authorised Capital				
Equity shares of Rs. 100/- each	3,25,00,000	32,500	2,25,00,000	22,500
Issued, Subscribed & Paid up	-	-	-	-
Equity shares of Rs. 100/- each, fully paid	2,49,52,539	24,952.54	2,25,00,000	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.

(Rupees in Lakhs)

Reconciliation of the no. of shares outstanding at the beginning & at the end of the reporting period				
Particulars	As at 31/03/2018		As at 31/03/2017	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	2,25,00,000	22,500.00	2,25,00,000	22,500.00
Shares issued during the period	24,52,539	2,452.54	-	-
Shares bought back during the period	-	-	-	-
Shares outstanding at the end of the year	2,49,52,539	24,952.54	2,25,00,000	22,500.00
Particulars of shareholders holding more than 5 percent share				
Name of shareholder	As at 31/03/2018		As at 31/03/2017	
	Number	%	Number	%
Mr. Mathew Muthoottu	1,47,79,912	59.23%	1,36,78,094	60.79%
Nizzy Mathew	33,54,446	13.44%	33,54,446	14.91%
Mini Muthoottu Hotels (P) Ltd	25,51,298	10.22%	24,12,698	10.72%
Mini Muthoottu Credit India (P) Ltd	14,19,841	5.69%	14,19,841	6.31%

Particulars of Shares Issued during the Previous 5 Years					
Particulars	During the Year/Period				
	2016-17	2015-16	2014-15	2013-14	2012-13
Equity Shares of Rs. 100/- each					
Aggregate no. of shares allotted as fully paid up pursuant to contracts without payment being received in cash	-	-	-	-	-
Aggregate number & class of shares allotted as fully paid up by way of bonus shares	-	-	-	25,00,000	17,50,000
Aggregate number & class of shares bought back	-	-	-	-	-

B. Reserve and Surplus

(Rupees in Lakhs)

Particulars	As at 31/03/2018	As at 31/03/2017
a. Securities Premium Reserve		
Opening Balance	6,250.00	6,250.00
(+) Securities Premium credited on Share Issue	1,594.15	
Closing Balance	7,844.15	6,250.00
b. Revaluation Reserve		
Opening Balance	350.00	350.00
(+) Current Year Transfer		
Closing Balance	350.00	350.00
c. Other Reserves		
(i). Special Reserve Fund(u/s 451C of RBI Act, 1934)		
Opening Balance	3,367.63	3,367.63
(+) Current Year Transfer	284.92	-
Closing Balance	3,652.54	3,367.63
(ii). Debenture Redemption Reserve		
Opening Balance	12,801.65	12,801.65
(+) Current Year Transfer	371.07	-
Closing Balance	13,172.73	12,801.66
d. Surplus in Profit & Loss Statement		
Opening Balance	(8,108.51)	-
(+) Net profit /(loss) for the current year	1,424.59	(8,108.51)
(-) Transfer to Special Reserves	(284.92)	-
(-) Transfer to Debenture Redemption Reserves	(371.07)	-
Closing Balance	(7,339.90)	(8,108.51)
TOTAL	17,679.52	14,660.78

C. Long Term Borrowings

(Rupees in Lakhs)

Particulars	As at 31/03/2018	As at 31/03/2017
SECURED LOAN		
(a) Bonds/Debentures		
I. Public Non Convertible Debentures		
(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)		
(i) Issue 5 (maturity on 25-Aug-2021)	5,585.97	5,585.97

(ii) Issue 6 (maturity on 27-Mar-2020)	612.69	612.69
(iii) Issue 1 (maturity on 27-Sep-2019)	3,106.56	3,106.56
(iv) Issue 5 (maturity on 25-May-2019)	1,594.86	1,594.86
(v) Issue 6* (maturity on 27-Jan-2019)	-	3,356.25
(vi) Issue 4* (maturity on 08-Oct-2018)	-	1,957.37
(vii) Issue 5* (maturity on 25-Aug-2018)	-	6,038.86
(viii) Issue 3* (maturity on 11-May-2018)	-	2,172.64
(ix) Issue 4* (maturity on 04-Apr-2018)	-	4,909.44
(xii) Issue 2* (maturity on 05-Aug-2017)	-	-
(xiii) Issue 6* (maturity on 10-Jun-2017)	-	-
Sub-Total	10,900.08	29,334.64
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)		
Maturity During 2020-2021	640.00	132.00
Maturity During 2019-2020	1,072.44	632.44
Maturity During 2018-2019	-	9,114.52
Sub-Total	1,712.44	9,878.96
(b) Term Loans		
(A) From Banks		
1. South Indian Bank		419.07
(Secured by Hypothecation of FA purchased/Security Deposits of branches)		
2. Vehicle Loans	-	43.37
(Secured on Hypothecation of Vehicles)		
Sub-Total	-	462.44
UNSECURED LOAN		
(a) Bonds/debentures		
Subordinate Debt	20,467.07	20,467.07
Unsecured Privately Placed NCD	373.75	540.45
Unsecured Public Placed NCD - Public Issue II(maturity on 04-Feb-2020)	4,962.99	4,962.99
Unsecured Public Placed NCD - Public Issue III(maturity on 11-May-2020)	7,143.37	7,143.37
Unsecured Public Placed NCD - Public Issue IV(maturity on 07-Dec-2020)	6,849.15	6,849.15
Unsecured Public Placed NCD - Public Issue VI(maturity on 27-Jul-2020)	4,400.75	4,400.75
Sub-Total	44,197.08	44,363.78

TOTAL	56,809.60	84,039.82
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D. Long Term Provisions

(Rupees in Lakhs)

Particulars	As at 31/03/2018	As at 31/03/2017
(a) Provision for employee benefits	145.47	108.20
(b) Others		
(1) Interest accrued but not due on debentures & sub debt	18,171.68	18,991.79
TOTAL	18,317.15	19,099.99

E. Short-term borrowings

(Rupees in Lakhs)

Particulars	As at 31/03/2018	As at 31/03/2017
SECURED LOAN		
(a) Loans repayable on demand		
(A) From Bank		
(i) South Indian Bank Limited, Banerji Road, Ernakulam	15,478.70	12,384.87
(ii) Federal Bank Limited, Pathanamthitta	-	3,638.19
(iii) State Bank of India, Commercial Br., Ernakulam	3,484.75	3,531.43
(iv) Dhanalakshmi Bank, Shanmugam Road, Ernakulam	1,566.41	2,008.02
(v) Andhra Bank, M.G Road , Ernakulam	7,457.11	4,945.20
(vi) Indus Ind Bank, M.G Road. Ernakulam	3,337.54	4,981.49
(vii) Union Bank Of India, Kottayam	2,435.48	2,419.22
(viii) Oriental Bank of Commerce, Coimbatore	4,035.20	2,500.25
(B) From Others		
(i) Reliance Capital Limited	-	1,921.34
Total	37,795.19	38,330.00

F. Other Current Liabilities

(Rupees in Lakhs)

Particulars	As at 31/03/2018	As at 31/03/2017
a) Current Maturity of Long Term Debts		
(i) Secured, Privately Placed NCD	9,865.11	10,049.75
(ii) Secured, Redeemable NCD Public Issue	18,434.56	28,512.07
(iii) Unsecured, Privately Placed NCD	768.46	100.00
(iv) Term Loan -SIB	419.07	681.48
(v) Term Loan -Dhanalakshmi bank	208.33	-
(iv) Vehicle Loans	33.77	76.96
(vii) Unclaimed Matured Debentures	372.19	448.16
Sub-Total	30,101.49	39,868.42

b) Interest accrued but not due on Debentures	10,082.49	10,145.83
c) Interest accrued on Unclaimed debenture	259.99	272.49
c) Other Payables		
NCD (kept hold as per court order)	53.02	53.02
ESI, EPF & Staff Welfare Fund	36.04	41.30
Tax Deducted at Source	248.43	241.35
Professional tax	0.11	0.10
Advance from Clients (Stamp)	-	4.06
Sundry Deposit	0.29	75.39
Caution Deposit	36.26	51.51
Expenses payable	132.30	95.78
Service tax Payable	0.00	0.39
Earmarked CSR Fund	28.88	26.52
Rent Payable	8.82	17.27
Kotak Insurance Payable	33.26	11.02
Auction Surplus Payable	238.54	168.36
GST Payable	139.42	-
Stamp Duty Collected	0.92	
Interest Payable on Sub Debt & application money	0.17	-
Sub-Total	11,298.95	11,204.39
TOTAL	41,400.44	51,072.81

G. Short-term Provisions

Rupees Lakhs

Particulars	As at 31/03/2018	As at 31/03/2017
i) Contingent Provision for Standard Assets	596.76	608.34
ii) Provision for Bad and Doubtful debt		
(a) Provision for Non Performing Assets	799.17	826.55
iii) Provision for Depreciation on Investments		
(a) Provision for diminution in value of investment	-	-
TOTAL	1,395.94	1,434.89



Note - H : TANGIBLE ASSETS

(Rupees in Lakhs)

Sl. No.	Asset	For Balance As On 01.04.2017				For Additions During The Period				Net Balance As On 31.03.2018			
		Wdvv As On 01.04. 2017	Sale/ (Adj.)	Prior Period Expenses	Depre ciation (A)	Wdvv As On 31.03. 2018	Cost	Sale/ (Adj.)	Depre- ciation (B)	Wdvv As On 31.03. 2018	Depreciation For The Year (A+B)	Wdvv As On 31.03. 2018	
I	Land & Land Development	14,599.67	-	-	-	14,599.67	-	-	-	14,599.67	-	14,599.67	
li	Buildings	4,358.41	761.70	-	252.76	3,343.95	89.03	76.63	3.60	8.81	3,609.12	256.36	3,352.75
lii	Plant & Machinery	678.69	2.53	-	134.07	542.09	58.97	0.02	6.83	52.12	735.11	140.91	594.21
Iv	Furniture & Fittings	1,968.19	19.27	-	577.43	1,371.49	3.25	-	0.60	2.65	1,952.17	578.02	1,374.14
V	Electrical Installations	76.08	-	-	23.23	52.85	0.00	-	0.00	0.00	76.09	23.23	52.85
Vi	Motor Vehicles	185.24	18.59	-	55.93	110.71	16.50	0.13	1.53	14.84	183.01	57.46	125.55
Vii	Computers And Data Processing Units	121.15	0.08	-	76.62	44.45	39.88	-	12.27	27.61	160.95	88.89	72.07
TOTAL		21,987.42	802.17	-	1,120.05	20,065.20	207.64	76.78	24.83	106.03	21,316.12	1,144.88	20,171.24

Note - I : INTANGIBLE ASSETS

(Rupees in Lakhs)

Sl. No.	Asset	For Balance As On 01.04.2017				For Additions During The Period				Net Balance As On 31.03.2018		
		Wdv As On 01.04. 2017	Sale/ (Adj.)	Prior Period Expenses	Depre ciation (A)	Wdv As On 31.03. 2018	Cost	Depre- ciation (B)	Wdv As On 31.03. 2018	Depre- ciable Value	Depreciation For The Year (A+B)	Wdv As On 31.03. 2018
I	Software And Licenses	80.84	-	-	51.08	29.76	2.00	0.17	1.83	82.84	51.25	31.58
		80.84	-	-	51.08	29.76	2.00	0.17	1.83	82.84	51.25	31.58

J. Non Current Investments
(Rupees in Lakhs)

Particulars	As at 31/03/2018	As at 31/03/2017
Other Investments		
(a) Investment in Equity instruments	5.81	5.81
TOTAL	5.81	5.81

K. Long Term Loans & Advances
(Rupees in Lakhs)

Particulars	As at 31/03/2018	As at 31/03/2017
a) Security Deposits		
<u>Unsecured, considered good</u>		
Rent Deposit	1,598.28	1,817.14
Security Deposit with NSE, BSE & CDSL	383.75	383.75
Security Deposit VAT	0.25	0.25
Telephone Deposit	0.57	0.76
Electricity Deposit	0.54	0.47
HDFC STD Life deposit	0.25	-
TOTAL	1,983.64	2,202.37

M. Cash & Cash Equivalents
(Rupees in Lakhs)

Particulars	As at 31/03/2018	As at 31/03/2017
a) Balances with banks		
In deposit account	2,227.92	3,897.27
In current account	6,586.09	2,447.40
b) Cash in hand	1,398.29	1,440.32
TOTAL	10,212.30	7,784.99

N. Short Term Loans & Advances
(Rupees in Lakhs)

Particulars	As at 31/03/2018	As at 31/03/2017
(a) Loans & Advances to Others		
(A) Secured considered good		
Gold Loan*	1,52,269.93	1,89,330.32
Loan against debentures	-	84.88
Loan Against Property	313.19	525.87
(B) Secured considered doubtful		
Gold Loan	3,162.90	4,669.96
Loan Against Property	91.93	-
(C) Other Unsecured Loan	7,240.57	1,329.45
TOTAL	1,63,078.52	1,95,940.49
*Include interest receivable Rs.10,709.95 & PY Rs.15,821.00		

Note O - Other Current Assets
(Rupees in Lakhs)

Particulars	As at 31/03/2018	As at 31/03/2017
Bajaj Allianz Life Insurance Co Ltd	-	1.51
Commission/Incentive Receivable	48.51	10.39
Prepaid Expenses	88.22	235.54
Input service tax	-	114.66
Income Tax including TDS (Net of Provisions)	1,726.57	1,665.97
CENVAT Receivable	0.00	116.52
Stamp & Stamp Paper in/on Hand	-	(8.14)
Other Advances/Receivables	62.04	121.72
NSEL Client Account	-	0.56
Insurance deposit	0.96	0.85
Third Party Products	60.75	55.06
Krishi Kalyan Cess Receivable	0.41	0.20
Rent Receivable	37.63	19.96
Kotak Mahindra	0.60	0.25
CDSL Commission and subscription	0.35	0.46
Swach Barath Cess advance paid	-	5.87
GST Receivable	113.85	-
TOTAL	2,139.89	2,341.39

P. Revenue from Operations
(Rupees in Lakhs)

Particulars	31/03/2018	31/03/2017
a) Interest Income		
On Loans & Advances	27,920.65	39,269.64
On Auction	3,847.78	3,410.96
On Income Genarated Loan Interest	883.93	58.21
On Loan against debentures	18.19	13.68
On Personal Loan	-	9.00
On Deposits	203.34	283.15
Interest on loan against property	76.64	64.87
Interest Others	1.30	9.46
Sub Total	32,951.83	43,118.95
b) Other Financial Services		
Commission & Brokerage	153.15	180.49
Other Operating Income	155.18	91.97
Sub Total	308.33	272.45
TOTAL	33,260.16	43,391.40

Q. Other Income

(Rupees in Lakhs)

Particulars	31/03/2018	31/03/2017
a) Dividend income	0.19	0.23
b) Other non-operating income	233.04	154.79
TOTAL	233.23	155.02

R. Employee Benefits Expenses

(Rupees in Lakhs)

Particulars	31/03/2018	31/03/2017
a) Salaries & Wages		
Staff	5,230.79	5,823.06
Gratuity	87.94	(286.80)
b) Other Expenses	772.22	812.29
c) Directors Remuneration		
Salary & Allowances	111.60	87.90
Travelling Expense	2.24	3.93
Sitting fee to directors	3.19	5.61
TA to Non executive directors	1.00	0.81
TOTAL	6,208.98	6,446.80

S. Finance Costs

(Rupees in Lakhs)

Particulars	31/03/2018	31/03/2017
a) Interest expenses		
Interest on Debentures (Private Placement) & Subordinate Debt	5,925.73	7,675.73
Interest on Debentures (Public Issue)	8,916.52	12,678.21
Interest on Loans	4,530.76	3,936.91
Bank Charges	106.02	188.61
Interest on Application Money (NCD)	14.28	10.78
TOTAL	19,493.31	24,490.25

T. Depreciation & Amortisation

(Rupees in Lakhs)

Particulars	31/03/2018	31/03/2017
Depreciation Expenses	1,196.13	1,495.82
Amortisation of NCD Public Issue Expenses	147.32	258.08
TOTAL	1,343.45	1,753.91

U. Other Expenses

(Rupees in Lakhs)

Particulars	31/03/2018	31/03/2017
Power and fuel	211.45	219.51
Rent	1,798.72	2,089.00
Repairs & Maintenance	198.96	96.80

Insurance	89.15	131.62
Rates & Taxes, excluding, taxes on income	200.24	233.85
Payment to Auditors	19.62	15.90
Business Promotion expenses	13.03	328.93
General Office Expenses	385.47	443.68
Advertisement charges	24.53	50.83
Bad debts written off	2.43	1.78
Travelling Expenses to Staff	215.58	253.61
Legal & Professional Charges	139.08	78.41
Telephone Charges	195.50	236.80
Postage & Courier	19.61	28.78
Printing & Stationery	147.30	157.44
Other Expenses	38.89	13.92
Provision for Non-performing assets	(27.38)	3.70
Contingent Provision for Standard Assets	(11.58)	97.63
Vehicle Running & Maintenance Expenses	12.29	12.79
Security Charges	215.48	304.43
Subscription Charges - Spot Exchange	2.39	2.66
Corporate Social Responsibility	7.45	-
Public Issue NCD	65.20	122.70
Loss on sale of Fixed assets	1.61	-
DP account Opening charges	0.11	3.13
Corporate Social Responsibility	-	89.07
Public Issue NCD	122.70	62.16
Loss on sale of Fixed assets	-	6.15
Investment written off	-	294.09
TOTAL	3,965.05	5,218.89

MUTHOOTTU MINI FINANCIERS LIMITED
 Muthoottu Buildings, Kozhencherry, Pathanamthitta - 689 641

Significant Accounting Policies & Accompanying Notes to Financial Statements

I. Corporate Information :

Muthoottu Mini Financiers Limited is a Public Company incorporated under the Companies Act, 2013. The Company was originally incorporated on 18th March 1998 as a Private Limited Company, a Non Banking Financial Company (NBFC) as per the provisions of The Companies Act, 1956 as "Muthoottu Mini Financiers Private Limited" and were licensed and registered with RBI. Consequent to the growth in business, the Company became a Public Limited Company on 27th November 2013 and was renamed as "Muthoottu Mini Financiers Limited". The company currently operates through 766 branches across the country.

The Company is engaged in full-fledged Gold Loan business and has accepted debentures under Private placement complying with the provisions as per RBI guidelines. As a part of diversification the Company apart from the core business of Gold Loan and Public issue of Debentures have entered the arena of Insurance business, Money transfers, Travel & Tourism etc.

II. Basis of Preparation, Critical Accounting Estimates and Judgments, Significant Accounting Policy and Recent Accounting Pronouncement

The financial statements have been prepared on the following basis:

A. Statement of Compliance

The company follows prudential norms for income recognition, asset classification, and provisioning as prescribed by the Reserve Bank of India vide Non – Banking Financial Company Systematically Important Non – Deposit taking company direction 2016.

B. Basis for preparation of Financial statements

The financial statements of the company are prepared in accordance with the Generally Accepted Accounting Principles (GAAP) 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, and other relevant provisions of the Companies Act, 2013. The financial statements are prepared and presented

on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those followed in the previous year.

C. Use of Estimates

The preparation of these financial statements in conformity with the Generally Accepted Accounting Principles (GAAP) requires making of estimates and assumptions by the management that affect the reported balances of assets and liabilities, disclosure relating to contingent liability as at the date of financial statements and the reported amounts on income and expenses for the year presented. Actual results may differ from these estimates. Differences between actual results and estimates are recognized in the period in which the results are known/materialized.

D. Current – non-current classification:

The Company classified all assets and liabilities in current and non-current as per the schedule III of the Companies Act, 2013 and the basis of classification is given below.

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:

- a. It is expected to be settled in the company's normal operating cycle.
- b. It is held primarily for the purpose of being traded:
- c. It is due to be settled within 12 months after the reporting date; or
- d. The company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of the liability that could, at the option of the counter party, result in its settlement by the issue of equity instruments do not affect its classification.

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

E. Fixed Assets

Fixed assets except land are stated at historical cost of acquisition or construction less accumulated depreciation. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. 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. And the borrowing cost is capitalized as per the provisions of Accounting Standard – 16.

F. Depreciation

Depreciation is charged at the rates derived based on the useful lives of the assets as specified in Schedule II of the Companies Act, 2013 on Written down value method.

G. 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.

H. Revenues

Revenue is recognised to the extent 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.

I. 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.

J. 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.

K. 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 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.

L. 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.

M. 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 11th April 2016

N. 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.

O. 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.

P. 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.

Q. 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.

R. Long term Employee Benefits

(i) 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.

(ii) 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 has provided gratuity for the year as per the requirements of Accounting Standard 15 (Revised 2005) and Guidance Notes of The Institute of Actuaries of India, the impact of which has been quantified in Note No.12

S. Intangible Assets

Intangible Assets are amortized over their expected useful life. It is stated at cost, net of amortization.

T. Events occurring after the Balance Sheet Date

Material Events occurring after the Balance Sheet date are taken into cognizance while preparing the financial statements.

U. Related Party Disclosures

Disclosures are made in accordance with the requirements of Accounting Standard 18 "Related Party Disclosures" read with the clarifications issued by the Institute of Chartered Accountants of India.

V. Surplus on auction of pledged gold

The Company has a policy of refund of any surplus that arises on auction of pledged gold which has been re-possessed by the Company in accordance with the terms of the agreement with the customers.

W. Expenditure on Corporate Social Responsibility (CSR)

The Company accounts the expenditure incurred towards Corporate Social Responsibility as required under the Act as a charge to the statement of profit and loss.

I. ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

1. Term loans

The company has obtained sanction for term loan of Rs.4500 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 branches. The term loan is availed at an interest rate of 250 bps above the current base rate, and to be repaid in 10 equal half year instalments with moratorium of 3 months from the date of first disbursement. The outstanding liability as on 31.03.2018 comes to Rs.419.07 lakhs (PY 1,100.55 lakhs).

During the current year 2017-2018 the Company has availed

an additional Term loan of Rs. 500 Lacs from Dhanalakshmi Bank Limited at an interest rate of 1 year MCLR + 1.40% p.a. The Term loan is secured against the property owned by M/s Muthoottu Mini Theaters (P) Ltd. (Entity in which the directors are interested) and on the personal guarantee of the directors. The Term loan is repayable in 15 months from the date of first disbursement. The outstanding liability as on 31.03.2018 is Rs. 208.33 Lacs.

On vehicles loans, the outstanding liability as on 31st March 2018 comes 33.77 Lakhs (PY 120.33 lakhs). And both of these figures are shown as Current maturities of long term under the head Other Current Liabilities.

2. Secured Redeemable Non-Convertible Debentures – Listed

The outstanding amount of Secured Redeemable Non-Convertible Listed Debentures raised through Public Issue stood at Rs. 29,334.64 Lakhs (Previous Year: Rs.57,846.74 Lakhs). There is no fresh issue of debentures during the current year.

Date of maturity	Amount (Rs. in Lakhs) As on 31.03.2018	Interest Rate
25/08/2021	5,585.97	11.57% - 12.25%
27/03/2020	612.69	10.22%
27/09/2019	3,106.56	13.43%
25/05/2019	1,594.86	11.42%
27/01/2019	3356.25	10.50% - 10.75%
08/10/2018	1957.37	12.28%
25/08/2018	6038.86	11.50% - 11.85%
11/05/2018	2172.64	12.28%
04/04/2018	4909.44	12.00% - 12.40%

3. Secured Redeemable Non-convertible Debentures - Unlisted

The Company had privately placed Secured Redeemable Non-convertible Debentures for a maturity period up to 66 months with an outstanding amount of Rs. 11,577.55 Lakhs (Previous year: Rs. 19,928.71). There is no fresh issue of debentures during the current year.

Series	Redemption Period	Amount (Rs. in Lakhs) As on 31.03.2018	Interest Rate
V	1 Year to 6 Years	3.50	10.00-13.25%
VII	1 Year to 6 Years	24.88	11.50-13.75%
IX	1 Year to 6 Years	8.8	11.50-13.75%
X	1 Year to 6 Years	18.24	11.50-18.18%
XIII	1 Year to 6 Years	237.56	12.50-18.18%
XIV	1 Year to 6 Years	195.58	12.50-18.18%
XV	1 Year to 6 Years	528.89	12.50-18.18%
XVI	1 Year to 6 Years	539.95	12.50-18.18%
XVII	1 Year to 6 Years	3528.71	12.50-18.18%
XVIII	1 Year to 6 Years	3445.44	12.00-18.18%
XVIII AA	1 Year to 6 Years	811.00	8.5 – 9.25
XVIII AB	1 Year to 6 Years	232.00	8.5 – 9.25
XVIII AC	1 Year to 6 Years	241.00	8.5 – 9.25
XVIII AD	1 Year to 6 Years	114.00	8.75-9.25
XVIII AE	1 Year to 6 Years	266.00	8.5 - 9.25
XVIII D	1 Year to 6 Years	10.00	15%
XVIII F	1 Year to 6 Years	60.00	12.5-18.18%
XVIII H	1 Year to 6 Years	55.00	15%
XVIII I	1 Year to 6 Years	145.00	12-15%
XVIII J	1 Year to 6 Years	70.00	12.25%
XVIII K	1 Year to 6 Years	75.00	12.25%
XVIII L	1 Year to 6 Years	150.00	12-18.80%
XVIII M	1 Year to 6 Years	65.00	12-12.25%
XVIII S	1 Year to 6 Years	25.00	10.75%
XVIII T	1 Year to 6 Years	30.00	10.75%
XVIII V	1 Year to 6 Years	25.00	12.5%
XVIII Y	1 Year to 6 Years	632.00	8.75 – 9.25%
XVIII Z	1 Year to 6 Years	40.00	8.75 – 9.25%

4. Unsecured Debentures – Listed

The outstanding amount of Unsecured Debentures raised through Public Issue stood at Rs.23, 356.26 Lakhs (Previous Year: Rs.23, 356.26 Lakhs). There is no fresh issue of debentures during the current year.

Date of maturity	Amount (Rs. in Lakhs) As at 31st March,2018	Interest Rate
27/07/2022	4,400.75	11.02% - 11.25%
07/12/2020	6,849.15	12.68% - 13.01%
11/05/2020	7,143.37	12.75% - 13.43%
04/02/2020	4,962.99	13.43%

5. Unsecured Debentures - Unlisted

The outstanding amount of Unsecured Privately placed Debentures stood at Rs. 1,142.21 Lakhs (Previous Year: Rs. 640.45 Lakhs).

Date of maturity	Amount (Rs. in Lakhs) As at 31st March,2018	Interest Rate
2021 - 2022	3.75	24.74% - 24.77%
2020 - 2021	245.00	12.50% - 18.18%
2019 - 2020	125.00	11.25% - 18.18%
2018 - 2019	768.46	11.00% - 20.74%

6. Subordinate Debt By Private Placement

Subordinated Debt is subordinated to the claims of other creditors and qualifies as Tier II capital subject to discounting as may be applicable under the Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015. The outstanding amount of privately placed subordinated debt stood at Rs.20, 467.07 Lakhs (Previous year: Rs. 20,467.07 Lakhs).

Maturity Pattern	Amount (Rs in Lakhs) As at 31st March,2018	Interest Rate
Interest pay out- Monthly		
2021- 2022	2,456.79	10.75% - 11.00%
2022- 2023	5,364.24	10.50% - 11.00%
2023- 2024	188.39	10.05% - 10.75%
Interest pay out- Maturity		
2021- 2022	6,645.74	16.67%
2022- 2023	5,764.66	10.75% - 16.67%
2023- 2024	47.25	15.38%

7. Unclaimed Debentures

The outstanding amount of Unclaimed Debentures with accumulated interest, if any, as on 31st March 2018 is Rs. 632.18 Lakhs. The same has been transferred to escrow account maintained with South Indian Bank Ltd. Banerji Road, Ernakulum.

Series	Principal	Interest	Total
IV	2.81	0.37	3.18
V	0.32	0.11	0.43
VII	4.35	1.18	5.30
VIII	5.06	2.51	7.57
IX	1.23	1.12	2.35
X	3.00	3.00	6.00
XI	2.91	1.64	4.55
XII	5.14	5.32	10.46
XIII	59.60	33.90	93.50
XIV	66.38	19.56	85.94
XV	171.61	181.83	353.44
XVI	11.37	6.64	18.01
XVII	7.34	0.91	8.25
XVIII	6.07	1.91	7.98
XVIII F	25.00	0	25.00
Total	372.19	259.99	632.18

8. MOVEMENT OF PROVISION FOR STANDARD AND NON-PERFORMING ASSETS

As per the Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015, the Company has created provision for Standard Assets as well as Non-Performing Assets. Details are as per the table below:-

(Rupees in Lakhs)

Particulars	2017-18	2016-17
Provision for Standard Assets		
Provision at the beginning of the year	608.34	510.71
Additional provision made during the year	(11.58)	97.63
Provision at the close of the year	596.76	608.34
Non-Performing Assets	As at 31st March 2018	As at 31st March 2017
Sub-standard Assets	121.76	248.32
Doubtful Assets (Upto 1year)	145.19	252.47
Doubtful Assets (1 - 3 years)	270.96	256.55
Doubtful Assets (More than 3 years)	146.73	-
Loss Assets	114.52	69.21
Total Non-performing Assets	799.16	826.55
Provision for non-performing assets	2017-18	2016-17
Provision at the beginning of the year	826.55	822.85
Additional provision made during the year	-27.37	3.70
Provision at the close of the year	799.18	826.55

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

9. DEFERRED TAX ASSET/LIABILITY

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.

Particulars	2017-18	2016-17
Opening Balance	795.00	744.04
Created/(Reversed) during the year on account of Depreciation and Provision for Gratuity	(67.60)	50.96
Net Deferred Tax Asset/(Liability)	727.40	795.00

10. PROVISION FOR GRATUITY

The provision for gratuity was revised during the period according to the actuarial valuation report. During the year company has paid gratuity of Rs.50.67 lakhs out of the opening provision of Rs.108.20. For making the amount of provision in tact with the actuarial valuation an amount of Rs.87.94 lakhs is charged against the Statement of Profit and Loss for the financial year 2017-18. And the balance of Provision for Gratuity as on 31st March, 2018 is Rs.145.47 lakhs.

11. CONTINGENT LIABILITY

Particulars	Amount (Rs. in Lakhs)
a) Claims against the company not acknowledged as debts	1066.87
a) Other money for which the company is contingently liable	157.64

a. Claims against the company not acknowledged as debts

Claims against the Company aggregating to Rs. 1066.87 lakhs out of which 1062.28 lakhs represents demands from Income Tax Department for the assessment years 2010-11, 2011-12, 2012-13 and 2013-14 matter relating to which, appeal is pending with the Commissioner of Income Tax (Appeals) and remaining amount 4.59 Lakhs represents demand raised by Deputy Commissioner of Commercial Tax Department Kerala on interstate purchase of fixed asset

b. Other money for which the company is contingently liable

SL NO	BRANCH		DATE OF DETECTION	AMOUNT (lakh)	TOTAL RECOVERY (lakh)	Amount Pending
1	KAR-Channapatna	Fraud	25/07/2016	103.07	90.12	12.95
2	TML-Panthalkudi	Fraud	02/07/2016	87.20	75.38	11.82
3	TML-Gangavalli	Fraud	16/08/2016	102.66	100.20	2.46
4	KAR-Sumanahalli	Fraud	14/11/2016	15.78	3.50	12.28
5	HAR-NIT Faridhabad	Fraud	21/03/2017	3.17	0.00	3.17
6	HAR-Old Railway Road	Fraud	24/03/2017	6.89	0.00	6.89
7	HAR-Sector 37 Huda Market	Fraud	24/03/2017	3.89	0.00	3.89
8	HAR-Sheetala Mata Road	Fraud	24/03/2017	4.75	0.00	4.75
9	HAR-Sona Chowk	Fraud	24/03/2017	3.50	0.00	3.50
10	Apr-Mariappanapalaya	Robbery	21/10/2016	72.13	-	72.13
11	APR-Sattenpalli	Fraud	17/07/2017	41.80	18.00	23.80
12	KAR-NR Pura	Fraud	03/06/2017	1.16	1.16	0
Total				446.00	288.36	157.64

All these cases are pending before various authorities and the Company has made full provisions for the above liabilities.

12. RELATED PARTY TRANSACTIONS
a) List of related parties and relationships

Name and Particulars of the Related Party	Relationship with the Company
Nizzy Mathew	Key Managerial Personnel(KMP)
Mathew Muthoottu	
Mammen Mathew	Director
Roy M Mathew	Relatives of Key Managerial Personnel / Director
Saramma Mammen	
Rubben Mathew	
Minu Sara Mathew	
Nirmal Mathew	
Mini Muthoottu Nidhi Kerala Ltd	Entity in which KMP has significant influence.
Mini Muthoottu Nirman & Real Estate Pvt Ltd	
M/s Muthoottu Mini Hotels	

b) Transactions during the year with related parties

Amount (Rs in Lakhs)

Particulars	Key Managerial Personnel (KMP)	Director	Relatives of KMP / Director	Entity in which KMP has significant influence
Salary & Allowances	111.60	-	18	-
Sitting fees	-	0.40	-	-
Interest on Debentures	1.76	-	3.20	-
Consultancy charges	-	-	-	-
Public Issue redemption	0.75	-	24.50	-
Rent/ Maintenance charges	4.55	1.68	14.85	5.59
Rent Received	3.54	-	-	39.24
Travelling expense	1.26	-	-	-
Sale of Fixed Assets	881.00	-	-	-

****The value of transactions are excluding GST.**
13. MANAGERIAL REMUNERATION

Amount (Rs in Lakhs)

Sl. No	Name of the Director	Current Year	Previous Year
2.	Nizzy Mathew	51.60	44.70
3.	Mathew Muthoottu	60.00	43.20
4.	Chief Financial Officer	19.92	18.44
5.	Company Secretary	16.80	15.60
	Total	148.32	121.94

14. AUDITORS' REMUNERATION (EXCLUDING SERVICE TAX)

Particulars	Current Year	Previous Year
For Statutory Audit	19.62	12.00

15. 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 31/03/2018	As on 31/03/2017
CRAR – Tier I Capital (%)	22.33%	16.18%
CRAR – Tier II Capital (%)	11.58%	8.44%
CRAR (%)	33.90%	24.62%

16. LEASES

The company has neither 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.1798.72 Lakhs (Previous Year Rs. 2,089.00 Lakhs) are recognized as rent paid in the Profit and Loss statement under the head other expenses.

17. 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

CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise of cash at bank, cash in hand, cheque to be realized and bank deposits having a maturity of less than one year.

22. SECURITY PREMIUM

During the year company has made a private placement of 24,52,539 shares at Rs. 165 with a face value of Rs.100 and raised a security premium amounting by Rs. 1594.15 lakhs.

23. 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 financial year 2012-13.

24. SPECIAL RESERVE AND DEBENTURE REDEMPTION RESERVE

a. Statutory Reserve represents the Reserve Fund created u/s 45IC of the Reserve Bank of India Act, 1934. In current year Rs. 341.06 lakhs is appropriated from Statement of Profit and Loss to the Special Reserve Fund.

b. Debenture Redemption Reserve as at 31st March 2017 amounts to Rs.12,801.66 lakhs and Rs. 371.07 is appropriated from the Statement of Profit and Loss during the year. Closing balance of Debenture redemption reserve as on 31st March, 2018 is 13,172.73/-.

25. FOREIGN EXCHANGE TRANSACTIONS

There are no foreign currency transactions during the financial year.

26. GUARANTEE FOR LOANS TAKEN BY OTHERS

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

27. PREVIOUS YEAR FIGURES

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

MUTHOOTTU MINI FINANCIERS LIMITED

Muthoottu Buildings, Kozhencherry, Pathanamthitta - 689641

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. DNBR2016-17/45 Dated 01st September 2016
SCHEDULE TO THE BALANCE SHEET OF A NON-DEPOSIT TAKING NBFC

	Particulars		(Amount In Lakhs)
	<u>Liabilities side</u>	<u>Amount outstanding</u>	<u>Amount Overdue</u>
1	Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid : Gross Amount		
	(a) Debentures : Secured	56,781.01	632.18
	: Unsecured (other than falling within the meaning of public deposits*)	33,555.07	-
	(b) Deferred Credits	-	-
	(c) Term Loans	661.17	-
	(d) Inter-corporate loans and borrowing	-	-
	(e) Commercial Paper	-	-
	(f) Public Deposits*	-	-
	(g) Other Loans (specify nature)	-	-
	Subordinated debt	24,598.25	-
	Borrowings from banks	37,795.19	-
	* Please see Note 1 below		
2	Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) :		
	(a) In the form of Unsecured debentures	-	-
	(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-
	(c) Other public deposits	-	-
	* Please see Note 1 below		



	<u>Assets side</u>	<u>Amount outstanding</u>	
3	Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :		
	(a) Secured	1,55,837.95	-
	(b) Unsecured	7,240.57	-
4	Break up of Leased Assets and stock on hire and other assets counting towards AFC activities	NA	
	(i) Lease assets including lease rentals under sundry debtors :		
	(a) Financial lease		
	(b) Operating lease		
	(ii) Stock on hire including hire charges under sundry debtors :		
	(a) Assets on hire		
	(b) Repossessed Assets		
	(iii) Other loans counting towards AFC activities		
	(a) Loans where assets have been repossessed		
	(b) Loans other than (a) above		
5	Break-up of Investments		
	<u>Current Investments</u>		
1	Quoted		
	(i) Shares		
	(a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others (please specify)	-	-
2	Unquoted		
	(i) Shares		
	(a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others (please specify)	-	-
	<u>Long Term investments</u>		
1	Quoted		
	(i) Share		

		(a) Equity	5.81	-
		(b) Preference	-	-
		(ii) Debentures and Bonds	-	-
		(iii) Units of mutual funds	-	-
		(iv) Government Securities	-	-
		(v) Others (please specify)	-	-
	2	Unquoted		
		(i) Shares		
		(a) Equity	-	-
		(b) Preference	-	-
		(ii) Debentures and Bonds	-	-
		(iii) Units of mutual funds	-	-
		(iv) Government Securities	-	-
		(v) Others (please specify)	-	-
6	Borrower group-wise classification of assets financed as in (3) and (4) above :			
	Category		Amount net of provisions	
			Secured	Unsecured
	1	Related Parties		Total
		(a) Subsidiaries	-	-
		(b) Companies in the same group	-	-
		(c) Other related parties	-	-
	2	Other than related parties	1,55,837.95	7,240.57
		Less: provisions	1,366.98	28.96
		Total	1,54,470.97	7,211.61
7	Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :			
	<i>Please see note 3 below</i>			
	Category		Market Value / Break up or fair value or NAV	Book Value(Net of Provisions)
	1	Related Parties **		
		(a) Subsidiaries	-	-



		(b) Companies in the same group	-	-
		(c) Other related parties	-	-
	2	Other than related parties		5.81
		Total		5.81
8	<u>Other information</u>			
	Particulars			Amount
	(i)	Gross Non-Performing Assets		
		(a) Related parties		-
		(b) Other than related parties		3,254.83
	(ii)	Net Non-Performing Assets		
		(a) Related parties		-
		(b) Other than related parties		2,455.66
	(iii)	Assets acquired in satisfaction of debt		-
	Notes :			
	(1) As defined in point xix of paragraph 3 of Chapter -2 of these Directions.			
	(2) Provisioning norms shall be applicable as prescribed in these Directions.			
	(3) All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up / fair value / NAV in respect of unquoted investments shall be disclosed irrespective of whether they are classified as long term or current in (5) above.			

1.2 -Gold and other loan portfolio classification and provision for non-performing assets:

<u>Particulars</u>	<u>Gross loan outstanding</u>	<u>Provision for assets</u>	<u>Net loan outstanding</u>
(i) Secured Loans			
A) Gold loans			
a) Standard Assets*	1,52,269.93	566.56	1,51,703.37
b) Sub-Standard Assets	1,125.74	112.57	1,013.17

c) Doubtful Assets	1922.65	562.89	1,359.76
d) Loss Assets	114.51	114.51	-
Total-A	1,55,432.83	1,356.53	1,54,076.30
A) Other loans			
a) Standard Assets*	313.19	1.25	311.94
b) Sub-standard Assets	91.93	9.20	82.73
c) Doubtful Assets	-	-	-
d) Loss Assets	-	-	-
Total-B	405.12	10.45	394.67
Total-(A + B)	1,55,837.95	1,366.98	1,54,470.97
(ii) Unsecured loans			
A) Other loans			
a) Standard Assets*	7240.57	28.96	7,211.61
b) Sub-standard Assets	-	-	-
c) Doubtful Assets	-	-	-
d) Loss Assets	-	-	-
Total-A	7,240.57	28.96	7,211.61
Total (i + ii)	1,63,078.52	1,395.94	1,61,682.58

*Includes interest receivable

1.3 - Provision for diminution in value of investment

(Amount in Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Provision for diminution in value of investment	-	-

1.4 - Loan to Value Ratio

Particulars	As at 31.03.2018			As at 31.03.2017		
	Outstanding loan amount	Value of the security	%	Outstanding loan amount	Value of the security	%
Gold loan*	1,55,432.83	2,20,025.64	70.64%	1,94,049.17	2,77,593.33	69.90%

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

1.5 - Disclosure with regards to Auction

Particulars	As at 31.03.2018	As at 31.03.2017
1. No. of gold loan accounts auctioned	39912	30692
2. Principal amount outstanding as on the date of auction (in Lakhs)	14,759.79	10,655.98
3. Interest amount outstanding as on the date of auction (in Lakhs)	6,285.84	6,025.40
Total(2+3)	21,045.63	16,681.38
4. Actual value fetched (in Lakhs)	18,750.49	14,273.93

1.6 - Disclosure as per Annexure 12 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

Particulars	As at 31.03.2018	As at 31.03.2017
1. CRAR (%)	33.90%	24.62%
2. CRAR- Tier I Capital (%)	22.33%	16.18%
3. CRAR- Tier II Capital (%)	11.58%	8.44%
4. Amount of subordinated debt raised as tier II Capital	20,717.42	17,849.70
5. Amount raised by issue of Perpetual Debt Instrument	-	-

1.6.2 - Investments

Particulars	As at 31.03.2018	As at 31.03.2017
(1) Value of Investments		
(i) Gross Value of Investments		
(a) In India	5.81	5.81
(b) Outside India,	-	-
(ii) Provisions for Depreciation		
(a) In India	-	-
(b) Outside India,	-	-

(iii) Net Value of Investments		
(a) In India	5.81	5.81
(b) Outside India,	-	-
(2) Movement of provisions held towards depreciation on investments		
(i) Opening balance	-	73.52
(ii) Add : Provisions made during the year	-	-
(iii) Less : Write-off / write-back of excess provisions during the year	-	73.52
(iv) Closing balance	-	-

1.6.3 - Derivatives

A. Forward Rate Agreement / Interest Rate Swap

Particulars	As at 31.03.2018	As at 31.03.2017
(i) The notional principal of swap agreements	-	-
(ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	-	-
(iii) Collateral required by the applicable NBFC upon entering into swaps	-	-
(iv) Concentration of credit risk arising from the swaps	-	-
(v) The fair value of the swap book	-	-

B. Exchange Traded Interest Rate (IR) Derivatives

Particulars	Amount
(i) Notional principal amount of exchange traded IR derivatives undertaken during the year (instrument-wise)	-
(ii) Notional principal amount of exchange traded IR derivatives outstanding as on 31st March 2017 (instrument-wise)	-
(iii) Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	-
(iv) Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	-

C. Disclosures on Risk Exposure in Derivatives

C.1 Qualitative Disclosure

Company does not have exposure to derivatives

C.2 Quantitative Disclosures

Particulars	Currency Derivatives	Interest Rate Derivatives
(i) Derivatives (Notional Principal Amount)	-	-
For hedging	-	-
(ii) Marked to Market Positions [1]	-	-

a) Asset (+)	-	-
b) Liability (-)	-	-
(iii) Credit Exposure [2]	-	-
(iv) Unhedged Exposures	-	-

1.6.4 A. Disclosures relating to Securitisation

Particulars	Amount
1) No of SPVs sponsored by the applicable NBFC for securitisation transactions	-
2) Total amount of securitised assets as per books of the SPVs sponsored	-
3) Total amount of exposures retained by the applicable NBFC to comply with MRR as on the date of balance sheet	
a) Off-balance sheet exposures	
First loss	-
Others	-
b) On-balance sheet exposures	
First loss	-
Others	-
4) Amount of exposures to securitisation transactions other than MRR	
a) Off-balance sheet exposures	
(i) Exposure to own securitizations	
First loss	-
Others	-
(ii) Exposure to third party securitisations	
First loss	-
Others	-
b) On-balance sheet exposures	
(i) Exposure to own securitizations	
First loss	-
Others	-
(ii) Exposure to third party securitisations	
First loss	-
Others	-

B. Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction

Particulars	As at 31.03.2018	As at 31.03.2017
(i) No. of accounts	-	-
(ii) Aggregate value (net of provisions) of accounts sold to SC / RC	-	-
(iii) Aggregate consideration	-	-
(iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v) Aggregate gain / loss over net book value	-	-

C. Details of Assignment transactions undertaken by NBFC:

Particulars	As at 31.03.2018	As at 31.03.2017
(i) No. of accounts	-	-
(ii) Aggregate value (net of provisions) of accounts sold	-	-
(iii) Aggregate consideration	-	-
(iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v) Aggregate gain / loss over net book value	-	-

D. Details of non-performing financial assets purchased / sold:

D.1 Details of non-performing financial assets purchased

Particulars	As at 31.03.2018	As at 31.03.2017
(1)(a)No. of accounts purchased during the year	-	-
(b)Aggregate outstanding	-	-
(2)(a)Of these, number of accounts restructured during the year	-	-
(b)Aggregate outstanding	-	-

D.1 Details of non-performing financial assets sold

Particulars	As at 31.03.2018	As at 31.03.2017
(1)No. of accounts sold	-	-
(2)Aggregate outstanding	-	-
(3) Aggregate consideration received	-	-

1.6.5 Asset Liability Management

Maturity pattern of certain items of Assets and Liabilities

Particulars	Up to 30/31 days	Over 1 month up to 2 Month	Over 2 months up to 3 months	Over 3 month & up to 6 month	Over 6 Month& up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Deposits	791.99	235.51	415.05	149.21	254.22	381.94	-	-	2,227.92
Advances	12,234.90	25,969.89	38,526.71	29,887.93	56,092.33	366.77	-	-	1,63,078.53
Investments	-	-	-	-	-	-	-	5.81	5.81
Borrowings	6,151.15	3,013.94	952.38	9,481.74	48,297.47	26,352.06	30,227.00	230.54	1,24,706.28
Foreign Currency assets	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-

*Includes interest receivable.

1.6.6 - Exposures

A. Exposure to Real Estate Sector

Category	As at 31.03.2018	As at 31.03.2017
a) Direct Exposure		
(i) Residential Mortgages -		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	-	-
(ii) Commercial Real Estate -		
Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure shall also include non-fund based limits	-	-
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
a. Residential	-	-
b. Commercial Real Estate	-	-
Total Exposure to Real Estate Sector	-	-

B. Exposure to Capital Market

Category	As at 31.03.2018	As at 31.03.2017
(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;	-	-
(ii) Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
(iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
(iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	-	-
(v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-

(vi) Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii) Bridge loans to companies against expected equity flows / issues;	-	-
(viii) all exposures to Venture Capital Funds (both registered and unregistered)	-	-
Total Exposure to Capital Market	-	-

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 applicable NBFC

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

E. Unsecured Advances

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

(ii) The company has unsecured advances (IGL loan) of Rs.7, 240.57 lakhs given to group of women against their joint liability.

1.6.7 Miscellaneous Disclosures

A. Registration obtained from other financial sector regulators

Financial regulators	Certificate number
Reserve Bank of India	N-1600175
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 - Nil

C. Related Party Transactions

<u>Name of related party</u>	<u>Relationship with company</u>
Mathew Muthoottu	Key Managerial Personnel(KMP) Director Relatives of Key Managerial Personnel / Director
Nizzy Mathew	
Mammen Mathew	
Samma Mammen	
Roy M Mathew	
Nirmal Mathew	

M/s Muthoottu Mini Hotels	Entity in which KMP has significant influence.
Mini MuthoottuNidhi Kerala Ltd.	
Mini MuthoottuNirman& Real Estate Pvt Ltd.	

List of transactions entered with related parties during the current financial year

Particulars	Key Managerial Personnel(KMP)	Director	Relatives of KMP /Director	Entity in which KMP has significant influence
Salary & Allowances	111.60	-	18.00	-
Sitting fees	-	0.40	-	-
Interest on Debentures	1.76	0.37	3.20	-
Consultancy charges	-	-	-	-
Rent/ Maintenance charges	4.55	1.68	14.85	5.59
Rent Received	3.54	-	-	39.24
Travelling expense	1.26	-	-	-
Public Issue Redemption	0.75		24.50	
Sale of Fixed Assets	881.00	-	-	-

D. Ratings assigned by credit rating agencies and migration of ratings during the year

Name of the credit rating agency	Type of facility	Rating assigned	Remarks
India Rating & Research Pvt Ltd	Non-convertible Debentures	BBB	
India Rating & Research Pvt Ltd	Bank Loan	BBB	

E. Remuneration to Non-Executive directors

Particulars	17-18	16-17
Sitting fees	3.19	5.61
Travel expenses	1.00	0.81

F. Net Profit or Loss for the period, prior period items and changes in accounting policies

Particulars	Amount (in Lakhs)
Net profit/(loss) for the period	1,424.59

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. Provisions and Contingencies

Particulars	2017-18	2016-17
Break up of 'Provisions and Contingencies shown under the head Expenditure in Profit and Loss Account	-	-
Provisions for depreciation on Investment	-	-
Provision towards NPA	(27.38)	3.70
Provision made towards Income tax	990.41	12.50
Provision for gratuity	87.94	(286.80)
Provision for Standard Assets	(11.58)	97.63

B. Draw Down from Reserves

There is no draw down from reserves during the year.

C. Concentration of Deposits, Advances, Exposures and NPAs

(i) Concentration of Deposits

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

(iii) Concentration of Advances

Particulars	Amount
Total Advances to twenty largest borrowers (Rs.in lakhs)	890.35
Percentage of Advances to twenty largest borrowers to Total Advances of the applicable NBFC	0.55%

(iv) Concentration of Exposures

Particulars	Amount
Total Exposure to twenty largest borrowers/customers	890.35
Percentage of Exposure to twenty largest borrowers/customers to Total exposure of the NBFC borrowers/customers	0.55%

(v) Concentration of NPA

Particulars	Amount
Total Exposure to top four NPA Accounts	243.15

(vi) Sector wise NPA's

Sector	Percentage of NPAs to Total Advances in that sector
Agriculture & allied activities	-
MSME	-
Corporate borrowers	-

Services	-
Unsecured personal loans	-
Auto loans	-
Other personal loans	2.00%

(vii) Movement of NPAs

Particulars	As at 31.03.2018	As at 31.03.2017
(i) Net NPAs to Net Advances (%)	1.54%	2.01%
(ii) Movement of NPAs (Gross)		
(a) Opening balance	4,669.97	5,296.91
(b) Additions during the year		2,478.78
(c) Reductions during the year	1,415.14	3,105.72
(d) Closing balance	3,254.83	4,669.97
(iii) Movement of Net NPAs		
(a) Opening balance	3,843.41	4,474.06
(b) Additions during the year		2,207.65
(c) Reductions during the year	1,387.75	2,838.60
(d) Closing balance	2,455.66	3,843.41
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	826.55	822.85
(b) Provisions made during the year		271.13
(c) Write-off / write-back of excess provisions	27.38	267.43
(d) Closing balance	799.17	826.55

(viii) Off-Balance Sheet SPVs sponsored

Company has not sponsored any off Balance Sheet SPVs

(ix) Disclosure of Complaints

Particulars	2017-18
No. of complaints pending at the beginning of the year	1
No. of complaints received during the year	27
No. of complaints redressed during the year	1
No. of complaints pending at the end of the year	27

