

ANNUAL REPORT 2018-2019

*Stands by you,
Always...*

THE ONE-STOP FINANCIAL SERVICE
PROVIDER FOR THE COMMON MAN



Muthoot
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. RAJAGOPAL M S

CHAIRMAN &
WHOLE TIME DIRECTOR

MANAGING DIRECTOR

INDEPENDENT DIRECTOR

INDEPENDENT DIRECTOR

ADDITIONAL DIRECTOR

CHIEF EXECUTIVE OFFICER

DR. KURIAN P ABRAHAM

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 Twenty First Annual Report on the business and operations of your Company together with the audited accounts for the Financial Year ended March 31, 2019.

Financial Performance

FINANCIAL RESULTS

(Rs. In lakhs)

	2018-19	2017 - 18
Total Revenue	29,815.48	33,493.39
Total Expenditure	27,236.90	31,010.79
Profit before Tax	2,578.58	2,482.60
Add: Prior Period items (Net)	-	-
Tax Expense	482.98	1058.01
Profit for the period	2,095.60	1,424.59
Surplus appropriated as follows:		
• Transfer to Special Reserve	(419.09)	(284.92)
• Transfer to Debenture Redemption Reserve	4,608.64	(371.07)
Balance brought forward from previous year	(7,339.90)	(8,108.50)
Surplus Carried Forward	(1054.75)	(7339.90)

Dividend

No dividend is being declared by the company.

Raising of Additional Capital

Company has not allotted any shares during the financial year 2018-19.

Capital Adequacy

Your Company is well capitalized and has a capital adequacy ratio (Capital to risk weighted asset ratio- CRAR) of 34.85% as on March 31, 2019. This is as against the minimum regulatory requirement of 15 % for non-deposit accepting NBFCs.

Resource Mobilization

a) Share Capital

The authorized share capital of the Company is Rs.32500 Lakhs and the paid-up share capital of the Company is Rs. 24953 Lakhs. The Company had not issued any equity shares either with or without differential rights during the FY 2018 – 2019.

b) Debentures

The Company has issued secured privately placed non-convertible debentures amounting to Rs. 1,824.00 lakhs and unsecured privately placed non-convertible debentures amounting to Rs. 1,155.00 lakhs in the FY 2018-19.

c) Bank Finance:

Bank Finance remains one of the important sources of funding for your Company. 7 Banks continued their support to your Company during the financial year 2018-19.

Securitization and Assignment of Gold Loan Portfolio with South Indian Bank Limited

Our Company, pursuant to an assignment agreement dated December 31, 2018 ("Agreement") entered into with the South Indian Bank Limited ("SIB"), has assigned, on receipt of Rs. 20,000 lakhs from SIB, against certain identified receivables (gold loan) and other assets, and all other collateral and underlying security interest created to secure the repayment of each of the facility provided by our Company to our

customers, together with all rights, title, interests and benefits under the facility agreements and documents entered into between the customers and our Company, free and clear of any lien or encumbrance, subject to certain terms, as provided under the Agreement.

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.

Listing

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

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 maintained 25% (i.e. Rs. 8,564.08 Lakhs) as DRR of the stipulated amounts outstanding as at March 31, 2019.

Ratings

The Credit Analysis & Research Limited (CARE) has rated us BBB-(Stable outlook) 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.

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. 8.74 Lakhs has been spent towards CSR in the current Financial Year. The total amount to be spent for the Financial Year 2018-19 is Rs. 28.88 Lakhs and the amounts unspent will be utilised in suitable projects identified by the company.

The report on CSR activities is annexed to this report and marked as Annexure 1

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
Additional Director	<ul style="list-style-type: none"> Rajagopal M S

Directors retiring by rotation:

In terms of Section 152(6) of the Companies Act 2013 and

Articles of Association of the Company, Mr. Mathew Muthoottu retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Change in Board of Directors

Mr. Mammen Mathews resigned from our Board as a Non-Executive Director with effect from July 23, 2018 and Mr. Rajagopal M.S. was appointed as an Additional Director on October 8, 2018 to hold the office till the date of the next Annual General Meeting of the Company.

Appointment of Chief Executive Officer

Dr. Kurian P. Abraham was appointed as the Chief Executive Officer of the Company with effect from January 14, 2019. Kurian P Abraham, aged 62 years, holds a bachelor's degree in veterinary science from Jawaharlal Nehru Krishi Vishwa Vidyalaya Jabalpur and has a post graduate diploma in industrial relations and personnel management and post graduate diploma in public relations from Bharatiya Vidya Bhavan. He is a retired General Manager of business division of Corporation Bank with 36 years of banking experience.

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 2018-19 were held on 25/04/2018, 26/05/2018, 23/07/2018, 08/10/2018, 12/11/2018, 31/12/2018 and 11/03/2019.

Committees of the Board

1. Audit Committee

The Audit Committee of our Company was constituted on April 24, 2009 pursuant to Section 292A of the Companies Act, 1956 and other applicable regulations. The Audit Committee was reconstituted by a Board resolution dated March 7, 2016 and further 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 re-constituted on November 12, 2018.

The committee consists of the following members:

Thomas Cherian	Chairman	Non- Executive & Independent Director
K R Krishnakumar	Member	Non- Executive & Independent Director
Rajagopal M S	Member	Additional Director

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

1. Identify persons who are qualified to become directors and may be appointed in senior management in

accordance with criteria is laid down, recommended to the Board their appointment and removal and shall carry out evaluation of every director's performance.

2. Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, Key managerial personnel and other employees.
3. Ensure that:
 - a. The level and composition of remuneration is reasonable and sufficient to attract, retained motivate directors of the quality required to run the company successfully;
 - b. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - c. Remuneration to director, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

3. Stakeholders Relationship Committee

The Investor Grievance Committee constituted by a board resolution dated December 10, 2013, has been renamed as "Stakeholders Relationship Committee" as per the provisions of Section 178(5) of Companies Act, 2013, reconstituted on March 7, 2016 and further 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	Wholetime 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:

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

6. Risk Management Committee

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

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

- 1) To assist the Board in the execution of its risk management accountabilities, the Committee shall be charged with the following general responsibilities:
- 2) To assist the Board in setting risk strategy policies in liason with management and in the discharge of its duties relating to corporate accountability and associated risk in terms of management assurance and reporting;
- 3) To review and assess the quality, integrity and effectiveness of the risk management systems and ensure that the risk policies and strategies are effectively managed;
- 4) To review and assess the nature, role, responsibility and authority of the risk management function within the MMFL and outline the scope of risk management work;
- 5) To ensure that the MMFL has implemented an effective ongoing process to identify risk, to measure its potential impact against a broad set of assumptions and then to activate what is necessary to pro-actively manage these risks, and to decide the MMFL's appetite or tolerance for risk;
- 6) To ensure that a systematic, documented assessment of the processes and outcomes surrounding key risks is undertaken at least annually for the purpose of making its public statement on risk management including internal control;
- 7) To oversee formal reviews of activities associated with the effectiveness of risk management and internal control processes. A comprehensive system of control should be established to ensure that risks are mitigated and that the MMFL's objectives are attained;
- 8) To review processes and procedures to ensure the effectiveness of internal systems of control so that decision-making capability and accuracy of reporting and financial results are always maintained at an optimal level;
- 9) To monitor external developments relating to the practice of corporate accountability and the reporting of specifically associated risk, including emerging and prospective impacts;
- 10) To provide an independent and objective oversight and

view of the information presented by management on corporate accountability and specifically associated risk, also taking account of reports by the Audit Committee to the Board on all categories of identified risks facing MMFL.

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

Management Committees:

1. Investment Committee

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

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

The Investment Committee currently comprises of:

- | | |
|---------------------------|---------------------------|
| 1. Mr. Mathew Muthoottu | -Managing Director. |
| 2. Mr. Thomas Cherian | -Independent Director |
| 3. Mr. K. George Varghese | -Executive Vice President |
| 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 of:

- | | |
|---------------------------|----------------------------|
| 1. Mr. Mathew Muthoottu | - Managing Director |
| 2. Mr. Thomas Cherian | - Independent Director |
| 3. Mr. K. George Varghese | - Executive Vice President |

4. Mrs. Ann Mary George - Chief Financial Officer

customer behavior and formulate appropriate actions;

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

14. To consider, if appropriate, the composition of the Company's capital structure, taking account of future regulatory requirements and rating agency views.

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, 2019 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, 2019.
- 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 2018 - 19, to review:

- The performance of the Non-Independent Directors and the Board as a whole;
- The performance of the Chairman of the Company; and
- 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 off during the year 2018-19.

Complaint Status:

Opening	Received during the year	Disposed during the year	Pending cases
Nil	1	1	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

Policy:

Policy on related party transactions has been approved by the Board in their meeting held on March 23, 2017.

IDENTIFICATION OF RELATED PARTY TRANSACTIONS

The guidelines for identification of related party transactions is in accordance with Section 188 Companies Act and relevant rules prescribed thereunder and SEBI Listing Regulations. The Company will determine whether the transaction is in the ordinary course of business and at arm's length basis and for this purpose, the Company will seek external expert opinion, if necessary.

TRANSACTIONS WITH APPROVAL OF AUDIT COMMITTEE

All the transactions which are identified as related party transactions should be pre-approved by the Audit Committee before entering into such transaction. The Audit Committee shall consider all relevant factors while considering the related party transactions for its approval. A related party transaction which is a) not in the ordinary course of business, or b) not at arm's length price, would require approval of the Board of

Directors or of shareholders as the provided in this policy.

The Audit Committee may grant omnibus approval for related party transactions which are repetitive in nature and subject to such criteria/conditions as mentioned in SEBI LODR and such other conditions as it may consider necessary in line with this policy. Such omnibus approval shall be valid for a period not exceeding one year and shall require fresh approval after the expiry of one year.

Omnibus approval of the related party transaction shall specify (i) name(s) of the related party, nature of transaction, period of transaction, amount of transaction, maximum amount of transactions that shall be entered into, (ii) the indicative base price/ current contracted price and the formula for variation in the price if any; and (iii) such other conditions as audit committee may deem fit;

Audit Committee shall review, on a quarterly basis, the details of related party transactions entered into by the Company pursuant to the omnibus approval.

TRANSACTION WITH APPROVAL OF BOARD OF DIRECTORS

In case any related party transactions are referred by the Company to the Board for its approval due to the transaction being (i) not in the ordinary course of business, or (ii) not at an arm's length price, the Board will consider such factors as, nature of the transaction, material terms, the manner of determining the pricing and the business rationale for entering into such transaction. On such consideration, the Board may approve the transaction or may require such modifications to transaction terms as it deems appropriate under the circumstances. Any member of the Board who has any interest in any related party transaction will rescue himself and abstain from discussion and voting on the approval of the related party transaction.

TRANSACTION WITH APPROVAL OF SHAREHOLDERS

If a related party transaction is (i) a material transaction as per SEBI LODR, or (ii) not in the ordinary course of business, or not at arm's length price and exceeds certain Thresholds prescribed under the Companies Act, 2013 and SEBI LODR, it shall require shareholders' approval by a special resolution. In such a case, any member of the Company who is concerned related party shall not vote on resolution passed for approving such related party transaction. The Company shall disclose, in

the Board's report, transactions prescribed in Section 188 of the Act with related parties,

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

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

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

Statutory Auditors

Pursuant to the provisions of Section 139 and 141 of the Companies Act, 2013, M/s Vishnu Rajendran & co, Chartered Accountants, were appointed as the 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 11/03/2019 had appointed M/s. Satheesh and Remesh Practising Company Secretaries, as the Secretarial Auditor of the Company to conduct the secretarial audit of the Company for the Financial Year 2018-19.

The Secretarial Audit Report in form MR-3, submitted by the Secretarial Auditors for the FY 2018 -2019 is enclosed to this report as **Annexure 3**. The Directors of your Company confirm that there are no qualifications, reservations or adverse remarks or disclaimers in Secretarial Audit Report for the period under review.

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 01.04.2018 to 31.03.2019

Sl. No.	BRANCH	DATE OF DETECTION	AMOUNT (Lakhs)	NAME OF THE PRINCIPAL PARTY	MODUS OPERANDI & ACTION TAKEN	RECOVERY (Lakh)
1	Charkop	15.05.2018	Rs.186.90	Maju Mathew , Savitha Ajayan, Babaso Shamrao Surve	109 gold packets (overdue packets) held at Charkop Branch in possession of Mr. Maju Mathew were found to be missing Mr. Maju Mathew had raised fake gold loans. Remittances received for investments were then used to close these fake loans. Meanwhile the remitters were issued fake investment Certificates. All these fraudulent acts were committed with the knowledge of Savitha Ajayan and Babaso Shamrao Surve.	NIL
2	Maruthiseva Nagar	23.12.2018	Rs 19.86	M/S R B U Bhaaskaran, Albert, P.Sangeetha and V. Ramesh	Thickly gold coated spurious bangles were pledged.	16.09

Details of Auctions Held During the Year 2018-19

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)
2018-19	8262	2,341.50	965.83	3,307.33	3,296.96

Note:

No sister concerns participated in the auctions during the year ended March 31, 2019.

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.

Human Resources

Your Company believe that the most important resource of

the company is its employees who have been contribute a major factor for the growth of the organization. The Company aimed at providing employee satisfaction, enabling them to deliver better results year over year. As on March 31, 2019, the Company had 2644 employees in its rolls at various level of organizational structure.

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 receipt of Rs.5 lakh or more a month, under Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is appended as **Annexure 5**

Board Diversity and Board Evaluation policy

Pursuant to the provisions of Section 134(3) (e), of the

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

RBI Guidelines

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

Corporate Governance

The Company's philosophy of Corporate Governance is aimed at assisting the management of the Company in the efficient conduct of its business and meeting its obligations to stakeholders, guided by a strong emphasis on transparency, accountability and integrity.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry outlook

India, the world's third largest economy in terms of its purchasing power parity (PPP) and population of over 1.2 bn, has witnessed significant economic growth since the country was liberalized in early 1990s. Industrial deregulation, divestment of state-owned enterprises, and reduced Governmental controls on foreign trade and investment, served to accelerate the country's growth and India has posted an average of 7.0% GDP growth since beginning of this millennium. According to IMF, India's GDP was at 6.7% in 2017 and it is projected to jump to 7.4% in 2018 and 7.4% in 2019.

India's diversified financial sector is undergoing rapid expansion. It comprises of commercial banks, non-banking financial companies, co-operatives, pension funds, insurance companies, mutual funds and other entities. A fast-growing economy, rising income levels, higher financial savings, greater propensity to spend and improving life expectancy rates are some of the encouraging factors that are likely to boost growth in the sector in the coming years.

Non-Banking Financial Institutions' Structure in India

The NBFC sector has been providing credit to customers in the underserved and unbanked areas. NBFC is integral to the Indian Financial system, augmenting competition and diversification in the financial sector and complementing the banking system. Channelling the savings in capital formation, necessary for India's economic growth and development.

NBFCs size of loan and advances increased by 22% to Rs.27 trillion as of March 2018. The AUM of retail non-banking finance companies (Retail-NBFCs) witnesses a sharp slowdown in growth in Q3 FY2019 due to tightened liquidity. Liquidity to NBFCs was expected to improve and conditions to normalise by Q4 FY 2019. Market liquidity remains tight, and the cost is still high.

On the basis of liabilities, NBFCs are classified into two categories (i) NBFCs-Deposit taking (NBFCs-D) and (ii) NBFCs-Non-Deposit taking (NBFCs-ND). NBFCs-D are subject to requirements of capital adequacy, liquid assets maintenance, exposure norms (including restrictions on exposure to investments in land, building, and unquoted shares), Asset-

liability management and reporting requirements. The NBFCs, depending upon its nature of business, are broadly categorized as loan companies, investment companies, infrastructure finance companies (IFC), asset finance companies (AFC), core investment companies (CIC), infrastructure debt funds, and micro finance institutions. The regulatory and supervisory framework for NBFCs has been continuously strengthened in order to ensure their strong and healthy functioning, limit excessive risk-taking practices, and protect the interests of the deposit holders. NBFCs are primarily governed by the RBI Act and the RBI Master Directions.

Evolution of Gold Loan Market in India

Gold Loan Market in India

Gold has long been a valued commodity, historically regarded as among the most liquid assets, and accepted universally as a currency since time immemorial. In India, gold has traditionally been consumed by individuals in the form of jewellery – it is considered auspicious to buy gold jewellery during festive seasons - and handed down generations as family wealth. Gold is considered to be a safe haven in times of economic uncertainty, a fact exemplified by almost a 450x time's rise in gold prices over the past five decades.

Gold enjoys a unique connection with Indians in terms of social status, financial security and rich cultural legacy. India is one of the largest consumers of gold with total stock of about 23,000-24,000 tonnes in the calendar year 2016 as per World Gold Council (WGC), majority of which is with households. Along with the country's growing population and ever increasing disposable income, India's inclination and liking for gold has also increased. WGC expects the average demand to reach around 850 to 950 tonnes p.a. by 2020 at an annual growth rate of 35.0%, with two-thirds of this demand coming from the rural market.

Due to the emotional value associated with household jewellery, people are hesitant to sell their gold to meet their immediate financial needs; as an alternative, people pledge their gold ornaments as collateral and secure a short-term loan. The pledging of gold ornaments and other gold assets to local pawnbrokers and money lenders to avail loans has been prevalent in Indian society over ages. The increased holding of gold as an asset among large section of people,

and the practices related to borrowing against gold in the informal sector, have encouraged some loan companies to provide loans against the collateral of used household gold jewellery. Over a period of time, many companies have emerged as 'specialised gold loan companies'.

Gold Loan NBFCs in India

At a broader level, there are mainly two categories of gold loan lenders: (i) Formal sector (banks, NBFCs, cooperatives) and (ii) Informal sector (local moneylenders). Lenders provide loans by securing gold assets as collateral. Compared with the rest of the world, in India the gold loan market today is a big business. Till the last century, most of the lending was in the unorganized sector through pawnbrokers and money lenders. However, this scenario has changed over the last two decades post India's economic liberalization and financial sector reforms, and the organised sector has become more dominant. Buoyed by the spurt in gold prices during the last decade, organised lenders grew at a 76% CAGR during the period FY'09 to FY'12. However, correction in gold prices in FY13, adverse regulatory scenario, restrictions on offering high LTV products, and increase in competition intensity has seen gold loan industry's AUM stagnating. This is also reflected in the stagnating portfolio of gold loan NBFCs. The total gold loan industry AUM of organized players stood at INR2,509.7bn as on FY18. Nevertheless, the large long-standing, unorganised gold loans market continues to be active and there are no official estimates available on the size of this market, which is characterised by the presence of numerous pawnbrokers, moneylenders and landlords operating at a local level. However, this market is believed to be almost double the size of organised gold loans market.

The demand for gold has a regional bias with southern Indian states accounting for around 40% of the annual demand. The prevalence of high level of rural indebtedness, easy availability of gold loans on extremely flexible terms, relative scarcity of personal and retail loans from the banks, and changing attitude of customers to gold loans will contribute to the growth in the gold loan AUM. There is potential to expand gold loans market to the Northern and Western regions of India, provided the branch network is expanded and the loans are available with ease and with flexible options.

Growth in Gold Loans AUM of NBFCs (Gold Loan) in the Last 5 Years

As per industry reports, the gold loan NBFCs AUM grew at a CAGR of 8.1% between FY14 and FY18. NBFCs witnessed a

decline in gold loan AUM between FY12 and FY14, as RBI's regulations curbed the performance as mentioned earlier. However, due to NBFCs flexible loan offerings and quicker disbursement time helped them to grow their gold loan AUM from INR469.0bn in FY14 to INR544.4bn in FY16.

Gold Loan NBFCs AUM further grew by an impressive 9.3% over the next 2 years from INR544.4bn in FY16 to INR641.5bn in FY18 which was due to gold loan NBFCs moving into non-southern Indian territories, achieving a higher growth based on lower penetration, rise in gold prices and higher marketing expenditure undertaken by players in order to improve product awareness and build brand identity.

Key Growth Drivers for Gold Loan

Gold financing companies form an integral part of the Indian financial system. It plays an important role in nation building and financial inclusion by complementing the banking sector in reaching out credit to the unbanked segments of society, especially to the MSMEs, which form the cradle of entrepreneurship and innovation. NBFCs' ground-level understanding of their customers profile and their credit needs gives them an edge, as does their ability to innovate and customise products as per their clients' needs. This makes them the perfect conduit for delivering credit to lower-income group people and MSMEs. Gold loan as a credit product is not a new phenomenon in the country; it is only in the recent past that Indians have started losing their inhibitions over pledging their family heirlooms to mainstream commercial lenders and leveraging multiple benefits, such as instant credit, flexible schemes, lower interest rates and minimal paperwork without the hassles of rigid credit appraisal. As banks and NBFCs offer gold loans at interest rates much lower than those of informal moneylenders; they have successfully targeted a new segment of customers who would have otherwise not taken a gold loan. The key growth drivers for gold loan are lack of reach of banking to rural and lower-income groups, rising consumerism in rural areas, changing attitudes towards gold loan, ease of availability of gold loan and positive impact of monsoon on the agricultural activities in the southern states.

OUTLOOK FOR NBFC/GOLD LOAN NBFCs

- i) ICRA expects the credit growth to remain moderate until H1 FY2020, likely revival only in H2 FY2020. Retail-NBFCs could register AUM growth of 16-18% in FY2019. Growth could moderate in H1 FY2020 because of the ongoing liquidity conditions and the general elections in Q1 FY2020. ICRA expects

the NBFC credit growth in FY2020 to be about 15-17% and NBFC-Retail credit is expected to cross Rs.10 trillion; growth rate could be higher if the fund flow to NBFCs improve.

NBFCs continue to be an integral part of the country's financial service ecosystem. The expected reforms and drive towards various core sectors will provide more opportunities for the NBFCs to create significant financial inclusion and employment opportunities across the country. In line with the government's vision to achieve inclusive growth, the crucial next step is to include the unbanked population in the formal financial system. It will empower them and result in a significant increase in the average per capita income. Government policies, combined with the financial services industry's efforts to look for growth, will augment financial inclusion.

ii) GOLD LOAN INDUSTRY

Specialised gold loan NBFCs have witnessed exceptional growth amongst organised players. Driving this growth is the aggressive expansion of branches, massive spending on marketing and rapid acquisition of customers. NBFCs and banks approach the gold loan market differently, reflecting in their interest rates, ticket sizes and loan tenures. NBFCs focus more single-mindedly on the gold loans business and have accordingly built their service offerings by investing significantly in workforce, systems, processes and branch expansion. Helping attract and serve more customers.

CRISIL Research expects AUM of the industry to grow to over Rs.2,700 billion by fiscal 2020 from Rs.2508 billion in fiscal 2018, driven by stable gold prices, increase in geographical penetration, and flexibility offered by the players in terms of interest rates and loan tenure. AUM of non-banking financial companies is also expected to grow at a faster pace with the restoration of the level playing field.

Future Outlook for Gold Prices

As per World Bank-Commodity Markets Outlook, October 2018 the global prices of gold are expected to decline from USD1,244.9 per toz in 2019P to USD1,190.0 per toz in 2023P. The gold rates are dependent on the state of USD and the

interest rate set by U.S. Federal Reserve. This volatility entails market risk and the possibility of gold loans going out of money. As gold prices decline the resale value of gold also decline, which might lead that the borrower is not willing to repay the loan which would increase the number of NPAs. This would affect the operational efficiency and profitability of the industry.

OVERVIEW OF MICRO FINANCE INDUSTRY IN INDIA

MFI consists of multiple players with diverse organizational structures. Loans in this sector are provided by banks, small finance banks (SFBs), non-banking financial company-microfinance institutions (NBFC-MFIs), other NBFCs and non-profit organizations. As per the industry sources, the total loan portfolio of the MFI increased from INR847.2bn in FY16 to INR1,366.3bn in FY18 with a CAGR of 27.0%. In FY18, Banks hold the largest share of portfolio in total loan outstanding of INR504.2bn which accounts to 37% of the total portfolio. NBFC-MFIs as a group remain the second largest provider of microfinance with a loan amount outstanding of INR448.9bn, accounting for 33% to total industry portfolio (i.e. loan amount outstanding). However it has lost its market share from 42% in FY16 to 33% in FY18. SFBs have a total loan amount outstanding of INR300.2bn with total share of 22%. NBFCs account for another 7% and Non-profit MFIs account for 1% of the total.

As per industry sources, MFI have tried to maintain its NPAs level at approx. 1% level. However, it had experienced an increase in NPAs during demonetization but the industry has recovered from its after effects now. The PAR numbers have been continuously lowering and PAR>30 have improved. It has reduced from 5.9% in FY17 to 4.4% in FY18 and PAR>180 have also reduced from 3.5% in FY17 to 2.8% in FY18. The repayment pattern of the clients has also returned to the normal levels for all the disbursements made by the industry after February 2017.

The growth of the industry is expected that the MFI loan portfolio will grow at a CAGR of 26.0% between FY18 to FY20. Due to the steady recent past performance, it is expected the growth to be positive in the coming quarters too. The prospective for Microfinance, particularly in Semi-Urban and Rural geography is quite large in India and with NBFC-MFIs are stepping up to integrate best practices and technology which would help them provide better customer service as well as achieve operational efficiencies and lower costs. Factors that will determine for the MFI sector to grow in future are as follows - strong promoters, who have witnessed various

business cycles and tackled events; ability to attract funds and maintain healthy capital position; geographic diversification; loan recovery and control aging of NPAs; and ability to manage local stakeholders.

PERFORMANCE IN GOLD LOAN, MICROFINANCE AND AFFINITY PRODUCTS OF MMFL

Gold Loans

We are a non-deposit taking systemically important NBFC in the gold loan sector lending money against the pledge of household gold jewellery ("Gold Loans") in the state of Kerala, Tamil Nadu, Karnataka, Andhra Pradesh, Telangana, Haryana, Maharashtra, Delhi and Goa and the union territory of Puducherry. We have also forayed into microfinance loan segment in financial year 2017 wherein we provide unsecured loans to joint liability group of women customers (minimum of 5 persons) who require funds to carry out their business activities through few of our branches in the state of Kerala. Our Gold Loan portfolio as on March 31, 2019 comprises of 3,75,665 Gold Loan accounts, aggregating to Rs. 1,35,105.62 lakhs, which is 97.57% of our total loans and advances as on such specific dates. We, as on March 31, 2019, have a network of 767 branches spread in the states of Kerala, Tamil Nadu, Karnataka, Andhra Pradesh, Telangana, Haryana, Maharashtra, Delhi and Goa and the union territory of Puducherry and we employ 2644 persons in our business operations.

Microfinance Loans

Our microfinance loans are typically small ticket loans, unsecured and given to joint liability groups forming of woman customers only. We started our Microfinance business in FY 2017 and we provide loan amounts typically within the range of Rs. 10,000' to Rs. 50,000' per loan transaction and which remain outstanding approximately for an average tenor of 365 days to 730 days. As of the FY ending on March 31, 2019, we had approximately 25749 micro finance loan accounts, aggregating to balance of 3215.18 lakhs. For the Financial year ending 2019 our microfinance loan portfolio yield representing interest income on micro finance loans as a percentage of average outstanding of microfinance loans, for the same period was 26%. Financial Years 2019, 2018 and 2017, income from interest earned on our micro finance loans constituted 4.54%, 2.46% and 0.13%, respectively, of our total income. As of march 31, 2019, we offer only one type of scheme in micro finance.

Our Company has undertaken the following other business

initiatives:

Money Transfer Business – Our Company has entered into various agreements for rendering money transfer services with third parties.

Insurance - Our Company has obtained registration with the IRDAI, to act as a corporate agent for procuring and soliciting insurance business both in the life insurance and general insurance category, with effect from April 1, 2016. The license no. CA0122 was assigned to our Company and is valid till March 31, 2019, which has since been renewed effective from April 1, 2019 and is valid and subsisting. Pursuant to such registration, we have entered into corporate agency agreements with various insurance providers of life, health and general insurance products for soliciting and procuring business for such insurance providers.

DP Services – Our Company holds a certificate of registration dated July 5, 2012 bearing registration number IN-DP-CDSL-660-2012 issued by SEBI to act as Depository Participant in terms of Regulation 20 of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as renewed of August 21, 2017. Currently, we are registered as a Depository Participant of CDSL for securities transactions.

Broking services – We have entered into an agreement with a securities provider for carrying out online trading in equity and derivative and commodity segments using our Depository Participant platform on its behalf, for our existing and new clients through selected branches and regional offices.

Prepaid transactions / Payment management services – Our Company entered into a corporate arrangement, with an intention to expand its financial services to providing electronic distribution of mobile prepaid top-up, fixed line prepaid, STD/ISD calling cards, internet and broadband prepaid cards, VOIP prepaid cards, DTH and Satellite radio prepaid subscription vouchers, post-paid bill payments, domestic money transfer, etc.

Travel Agency services – Our Company has entered into an agreement for air travel related services, booking of tickets with any airlines for international or domestic travel, apply for and obtain VISA, arranging for travel insurance, forex services, corporate services etc, as a non-International Air Travel Association agent.

PAN card related services – Our Company has entered into an agreement as PAN card service agent for collecting

and receiving PAN application forms and providing related services to PAN applicants.

RISKS & CONCERNS

Traditionally, risks in an Organization have been classified into the broad categories of

1. Credit Risks
2. Market Risks
3. Operational Risks

Credit Risk is defined as the risk of failure of the counter party in keeping up its commitments. Credit Risk for MMFLs core business of Gold Loans is perceived to be relatively lower due to the fully secured nature of gold loans. However it is recognized that risk is inherent due to the criticality of the value of collateral. The degree of comfort will depend on the Loan to Value at which loan is sanctioned followed by the subsequent price movements. Significantly downward movement in the gold prices especially when accompanied by non-servicing of interest can impact the company's financials significantly.

Gold loans are granted for a tenure of maximum one year which is essentially short-term. With the current LTV of 75% on monthly moving average price of 22 ct. gold, the risks are contained to the bare minimum. Timely action on non-performing loans by continuous monitoring followed by recovery action through auctions, therefore, will mitigate the Credit Risks.

Market Risk is defined as the risks arising from movements in interest rates and exchange rates on the overall business of the Company. Adverse movements in interest rates could possibly pose a risk to the ability to raise funds for managing liquidity gaps – giving rise to 'Liquidity Risks'.

The Asset Liability Management Committee (ALCO) at the Management level and both Audit Committee and Risk Management Committee of the Board will closely monitor any mismatch positions and the macro-environment to consider all indicators of risk and plan and advise suitable action.

Operational Risk is the risk of losses arising from failed or inadequate processes, systems, people or due to external events. The definition includes Legal Risk such as exposure to fines, penalties, and punitive damages resulting from supervisory actions as well as private settlements. MMFL will facilitate implementation of processes to support the

proactive identification and assessment of the significant operational risks inherent in all products, activities processes and systems.

Risk based Internal Audit (RBIA): The Company has adopted RBIA guidelines of Reserve Bank of India as part of its Operational Risk Management Framework. RBIA allows internal audit to provide assurance to the Board that risk management processes are managing risks effectively. The RBIA Policy framework of the Company would be refined periodically to capture the above objectives and will guide the Company to adopt suitable changes in its processes.

General: The Company is an NBFC coming under the regulatory purview of Reserve Bank of India, SEBI, Stock Exchange and Ministry of Corporate Affairs. In addition, the Company is also required to comply with various Central, State and commercial laws applicable in the conduct of various activities of business. The Company recognizes that the regulatory landscape is under periodical review and this requires the Company to proactively prepare for the challenges posed by the changes. The Company will respond effectively and competitively to regulatory changes, maintain appropriate relationship with the regulators/authorities, strengthen the reliance on capital and improve the quality of 'in-house' compliance.

Branch Network

As on March 31, 2019, we had 767 branches in the states of Kerala, Karnataka, Tamil Nadu, Andhra Pradesh, Telangana, Haryana, Maharashtra, Delhi and Goa and the union territory of Puducherry. The branch network of the Company during the Financial Years ended March 31, 2019, 2018 and 2017 are given below:

State	As on March 31		
	2019	2018	2017
Andhra Pradesh	118	118	119
Uttar Pradesh	-	-	3
Delhi	7	7	16
Goa	6	6	7
Haryana	3	3	9
Karnataka	109	109	131
Kerala	179	179	185
Maharashtra	2	2	5
Tamil Nadu	342	342	408
Puducherry (Union Territory)	1	1	3
Total	767	767	886

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.

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
Chairman & Whole Time Director
DIN:01680739

ANNEXURE - 1

CSR Reporting for Financial Year 2018 - 19

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: **(1250.37)**

1. Prescribed CSR Expenditure (two percent (2%) of the average net profits: NIL
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 2018-19 :Rs. 28,88,460/-
 - b. Amount spent during the year Rs. 8,74,000/-
 - c. Balance remaining to be spent: Rs. 20,14,460/-*

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	2,15,000	2,15,000	2,15,000	Direct
2.	Conducted Health awareness Camp Through Branches	Healthcare	Pan India	46,200	46,200	46,200	Direct
3.	Financial Assistance to Rebuilding houses for flood victims	Ensuring environmental sustainability	Kerala	200,000	2,00,000	2,00,000	Direct
4.	Providing educational facilities for underprivileged	Promotion of education	Telangana	62,800	62,800	62,800	Direct
5.	Contribution to Canserve Society	Healthcare	Kerala	3,50,000	3,50,000	3,50,000	Direct
	TOTAL			8,74,000	8,74,000	8,74,000	

*The Board decided to carry forward the unspent amount Rs. 20,14,460/- 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	3,45,000
		Salary received	One Year	60,00,000
		Travelling	-	90,651
2	Nizzy Mathew	Rent paid	One year	1,10,004
		Salary received	Two years	51,60,000
		Rent received	One year	3,54,000
3.	Mammen Mathews	Rent paid	One year	58,800
		Sitting fees	1 meeting	20,000
4.	Roy M Mathew	Rent paid	One year	3,24,960
5.	Saramma Mammen	Rent paid	One year	3,24,676
		Salary	-	6,00,000
6.	Nirmal Mathew	Rent paid	One year	1,06,920
7.	Mini Muthoottu Nidhi Kerala Ltd	Rent paid	One year	3,00,000
		Rent Received	One year	25,04,134
8.	Mini Muthoottu Nirman & Real Estate Pvt Ltd	Rent paid	One year	2,40,000
9.	Muthoottu Mini Hotels Pvt Ltd	Rent paid	One year	2,34,996
10.	Ann Mary George	Salary	-	19,92,000
11.	Smitha K S	Salary	-	16,80,000
12.	Kurian P Abraham	Salary	-	6,96,774

****The value of transactions are excluding GST.**

ANNEXURE-3

FORM NO. MR - 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

[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, 2019 ('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;
- iii. 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.

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.28/05/2019

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 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. 28/05/2019

ANNEXURE - 4

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

as on financial year ended on 31.03.2019

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.	Debentures: LINK INTIME INDIA PRIVATE LIMITED C-101, 247 PARK, L.B.S. MARG VIKHHOLI (WEST), MUMBAI - 400083 C- 13 PANNALAL SILK MILLS COMPOUND, LBS MARG,BHANDUP (WEST), MUMBAI – 400 078, MAHARASHTRA, INDIA Equity Shares: CDSL VENTURES LIMITED A WING, 25TH FLOOR, MARATHON FUTUREX, MAFATLAL MILL COMPOUND, NM JOSHI MARG, LOWER PAREL(E) MUMBAI - 400013

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	93.37%

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	1,91,34,353	1,91,34,353	76.683	1,91,34,353	0	1,91,34,353	76.683	0
b) Central Govt. or State Govt.	NIL								
c) Bodies Corporates	0	58,18,181	58,18,181	23.316	46,00,346	12,17,835	58,18,181	23.316	0
d) Bank/FI	NIL								
e) Any other	NIL								
SUB TOTAL:(A) (1)	0	2,49,52,534	2,49,52,534	99.99	237,34,699	12,17,835	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	0	2,49,52,534	2,49,52,534	99.99	237,34,699	12,17,835	2,49,52,534	99.99	0
(A)= (A)(1)+(A)(2)									
B. PUBLIC SHAREHOLD-ING									
(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									
a) Bodies corporates									
i) Indian									
ii) Overseas									
b) Individuals									

i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	0	5	5	0.00	5	0	5	0.00	0
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	5	0	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	2,49,52,539	2,49,52,539	100	237,34,704	12,17,835	2,49,52,539	100	0

V. SHARE HOLDING OF PROMOTERS&PROMOTER GROUP SHAREHOLDING

SI No.	Shareholders Name	Shareholding at the			Shareholding at the end of the year			% change in share holding during the year
		No of shares	% of total shares of the company Shareholding at the	% 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	14779912	59.23	Nil	14779912	59.23	Nil	0
2	Nizzy Mathew	3354446	13.44	Nil	3354446	13.44	Nil	0
3	Muthoottu Mini hotels Private Limited	2551298	10.22	Nil	2551298	10.22	Nil	0
4	Mini Muthoottu credit India Private Limited	14,19,841	5.69	Nil	14,19,841	5.69	Nil	0
5	Roy M. Mathew	999995	4.01	Nil	999995	4.01	Nil	0
6	RMM Properties India Private Limited	6,29,207	2.52	Nil	6,29,207	2.52	Nil	0
7	Muthoottu Mini theatres private limited	1217835	4.88	Nil	1217835	4.88	Nil	0
	Total	249,52,534	99.99	Nil	249,52,534	99.99	Nil	0

VI. CHANGE IN PROMOTERS/PROMOTER GROUP SHAREHOLDING

Sl. No		Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year	249,52,534	99.99	249,52,534	99.99
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer /bonus /sweat equity etc)	No change during the FY 2018-19.			
	At the end of the year	249,52,534	99.99	249,52,534	99.99

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

Sl. No		Shareholding at the end of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
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	<p style="text-align: center;">NOT APPLICABLE.</p> <p style="text-align: center;">% Shares held by promoters/promoter group</p>			
3	Date wise increase/decrease in Promoters Shareholding 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)				

VIII. 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	14779912	59.23	14779912	59.23
2.	Nizzy Mathew-Whole time Director	3354446	13.44	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
5.	Dr. Kurian P Abraham	0	0.00	0	0.00

IX. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits (Rs.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	79,368.56	44,965.54		124,334.10
ii) Interest due but not paid	-	-		-
lii) Interest accrued but not due	14,874.42	13,379.75		28,254.17
Total (i+ii+iii)	94,242.98	58,345.29		152,588.27
Change in Indebtedness during the financial year				
Additions	21,734.66	7,037.70		28,772.36
Reduction	44,628.75	890.21		45,518.96
Net Change	-22,894.09	6,147.49		-16,746.60
Indebtedness at the end of the financial year				
i) Principal Amount	64,568.03	45,351.83		109,919.86
ii) Interest due but not paid	-	-		-
iii) Interest accrued but not due	6,780.86	19,140.95		25,921.81
Total (i+ii+iii)	71,348.89	64,492.78	135,841.67	

X. A. 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
Ceiling as per the Act		*In terms of the provisions of the Companies Act, 2013, the remuneration payable to Managing Director / All executive Directors shall not exceed limits prescribed as per Section 197 of the Act. The above remunerations paid to Managing Director and Executive directors are well within the said limit		

B. REMUNERATION TO OTHER DIRECTORS:

Sl. No	Particulars of Remuneration	Name of the Directors			
1	Independent/Non-Executive Directors	Thomas Cherian	K R Krishnakumar	Mammen Mathews	Rajagopal M S
	(a) Fee for attending Board / committee meetings Rs.)	1,40,000	1,00,000	20,000	0.00
	(b) Commission	-	-	-	-
	(c) Others, please specify	-	-	-	-
	Total	1,40,000	1,00,000	20,000	0.00

C. Remuneration to KMP other than Directors

Sl.No	Particulars of Remuneration	Key Managerial Personnel			
	Gross Salary	CS	CFO	CEO	Total
1	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	16,80,000	19,92,000	6,96,774	43,68,774
	(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	16,80,000	19,92,000	6,96,774	43,68,774

XI. 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, 7 years in NBFC & Financial Institutions.
5	Date of commencement of employment	07/03/2008
6.	The age of such employee:	29
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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Muthoottu Mini Financiers Limited ("the Company"), which comprise the balance sheet as at 31st March 2019 and the statement of profit and loss, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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 Companies Act, 2013 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 March 31, 2019, and its profit and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters

were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there is no other matter to be communicated in our report as Key Audit Matters.

Responsibilities of Management and Those Charged With Governance for the 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 financial statements that give a true and fair view of the financial position, financial performance and the cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. 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.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to

issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement if it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going

concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 to the extent applicable.
2. As required by the Non-Banking Financial Companies Auditor's Report (Reserve Bank) Direction, 2016, we give in the "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 accounts as required by law have been kept by the Company so far as it

- appears from our examination of those books.
- c. No report on the accounts of any of the branch offices audited under sub-section (8) of Section 143 by any person has been received by us and therefore no comments need 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 based on our examination of the system made available for our verification.
 - e. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - 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 March 31, 2019 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, 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 Auditor's Report in accordance with Rule 11 of the Companies(Audit and Auditors) Rules, 2014, (Division two) in our opinion and to the best of our information and according to the explanations provided to us, we report that:
 - i. The company has disclosed the impact of pending litigation on its financial position in its financial statements.
 - 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.

Place : Kochi
 Date : May 28th, 2019

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

Mesfin Zacharias Abraham, FCA
 Partner
 Membership No: 208529

ANNEXURE I

TO THE INDEPENDENT AUDITORS' REPORT

The Annexure 1 referred to in our report to the members of Muthoottu Mini Financiers Limited (the Company) for the year ended on March 31, 2019. 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) The Company has a regular programme for the verification of its fixed asset, by our opinion, this periodicity of physical verification is reasonable having regard to the size and nature of the Company and the nature of its assets. Pursuant to such program, a portion of such fixed assets has been physically verified by the management during the year and no material discrepancies were noticed on such verification.
 - c) In our opinion and according to the information and explanation given to us, the title deeds of immovable property are held in the name of the Company.
- ii. The Company is a service company, primarily rendering financial services. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable.
- iii. The Company has not granted loans, secured or unsecured to Companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act. Thus, paragraph 3(iii) of the Order is not applicable.
- iv. In our opinion and according to the information and explanations given to us, the Company has not given any loans, made any investments, provided any guarantees, and given any security to which the provision of Section 185 and 186 of the Companies Act are applicable.
- v. In our opinion and according to the information and explanation given to us, the Company has not accepted any deposits and accordingly paragraph 3(v) of the order is not applicable.
- vi. Being a financial company, maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act. Thus paragraph 3(vi) of the order is not applicable.
- vii.
 - a) The Company is regular in depositing undisputed statutory dues including provident fund, employers state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities. There are no arrears of statutory dues as at the last day of the financial year concerned for a period of more than six months from the date on which they became payable.
 - b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise and value added tax which have not been deposited on account of any dispute.
- viii. In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of dues to a financial institution or bank or debenture holders during the period.
- ix. In our opinion and according to the information and explanation given to us, the Company has obtained term loan aggregating to Rs.200 Cr during the period by means of securitization of gold loan amounting to 223 crores. The money raised through the public issue of non-convertible debentures has been applied for the purpose for which they have been raised.
- x. According to the information and explanations given to us, fraud on the Company by its officers or employees has been noticed, amounting to Rs. 206.76 lakhs across

two Branches of the Company during the current year out of which 16.09 lakhs was recovered.

- xi. According to the documents provided for our verification, managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Companies Act, 2013.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable to the entity.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 188 of the Companies Act, 2013 and the details of such transactions have been disclosed in the financial statements of the Company as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the

Company, the Company has made private placement of securities during the period amounting to Rs. 29,79,00,000.

- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with the directors or persons connected with them. Accordingly, paragraph 3(xv) of the order is not applicable to the Company.
- xvi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has obtained the required registration under Section 45-IA of the Reserve Bank of India Act, 1934.

Place : Kochi
 Date : May 28th, 2019

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

Mesfin Zacharias Abraham, FCA
 Partner
 Membership No: 208529

ANNEXURE II

TO THE AUDITOR'S REPORT

To the Board of Directors of Muthoottu Mini Financiers Limited,

We have audited the Balance Sheet of Muthoottu Mini Financiers Limited for the year ended as on March 31, 2019, the Statement of Profit and Loss and Cash Flow Statement for the year then ended annexed thereto. As required by the Non-Banking Financial Companies Auditors' Report (Reserve Bank) Direction, 2016, and according to the information and explanations given to us, we provide herewith, a statement on the matters specified in paragraphs 3 and 4 of the aforesaid directions;

- i. The company is engaged in the business of Non-Banking Financial Institution and it has obtained the certificate of registration as provided in section 45IA of the RBI Act, 1934.
- ii. The Company is entitled to hold Certificate of Registration in terms of the Asset/Income pattern as on March 31, 2019.
- iii. The Board of Directors of the Company has passed a resolution for non-acceptance of public deposit.
- iv. The Company has not accepted any public deposit during the period under review.
- v. According to the information and explanation given to us, the Company has complied with the prudential norms on Income Recognition, Accounting Standards, Asset Classification, Provisioning for bad and doubtful debts as specified in the direction issued by the Reserve

Bank of India in terms of the Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and deposit taking Company (Reserve Bank) Directions, 2016.

- vi. The capital adequacy ratio as disclosed in the return submitted to RBI in terms of Master Direction – Non-Banking Financial Company – Systemically Important Non- deposit taking Company and Deposit taking Company (Reserve Bank) Direction, 2016, has been correctly arrived and such ratio is in compliance with the minimum CRAR as prescribed by the Reserve Bank of India.
- vii. The Company has furnished to RBI the annual statement of Capital Fund, risk assets and risk assets ratio within the stipulated period.
- viii. The Company has not been classified as NBFC-MFI for the year ended March 31, 2019.

The report has been issued pursuant to the Non-Banking Financial Companies Auditors' Report (Reserve Bank) Direction, 2016 and is issued to the Board of Directors of the Company as required by Paragraph 2 of such directions and should not be used for any other purpose.

Place : Kochi
 Date : May 28th, 2019

For Vishnu Rajendran & Co.
 Chartered Accountants
 FRN: 0047415

Mesfin Zacharias Abraham, FCA
 Partner
 Membership No: 208529

ANNEXURE III

THE INDEPENDENT AUDITORS' REPORT

The Annexure 3 referred to in our report to the members of Muthoottu Mini Financiers Limited ("the Company") for the year ended on March 31, 2019.

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 Muthoottu Mini Financiers Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of the internal controls stated in the guidance note on audit of internal financial controls over financial reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include 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 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 have 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 ("the Standards") 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. 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 was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of the internal financial controls over financial reporting, assessing the risk that material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risk of material misstatements 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 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 a reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purpose in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- i. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and the dispositions of the assets of the Company;
- ii. 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 in accordance with authorization of the management and directors of the Company; and

- iii. 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 Limitation of Internal financial Controls over financial reporting

Because of the inherent limitation of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to fraud or error 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 the changes in conditions, or that the degree of compliance with policies or procedures may deteriorate.

Opinion

In our opinion, the Company has in all material respects, an adequate internal financial control over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the guidance note issued by the ICAI.

Place : Kochi
 Date : May 28th, 2019

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

Mesfin Zacharias Abraham, FCA
 Partner
 Membership No: 208529

MUTHOOTTU MINI FINANCIERS LIMITED

CIN : U65910KL1998PLCO12154

Muthoottu Buildings, Kozhencherry, Pathanamthitta - 689 641

BALANCE SHEET
(Rupees in Lakhs)

Particulars		Note No.	As at 31/03/2019	As at 31/03/2018
I.	EQUITY AND LIABILITIES			
(1)	Shareholders' Funds			
	(a) Share Capital	A	24,952.54	24,952.54
	(b) Reserves and Surplus	B	19774.98	17,679.51
(2)	Share application money pending allotment		-	-
(3)	Non-current Liabilities			
	(a) Long-term borrowings	C	46,801.06	56,809.60
	(b) Deferred tax liabilities (Net)		-	-
	(c) Other Long-term Liabilities	D	17,906.00	18,171.68
	(d) Long-term provisions	E	133.92	145.47
(4)	Current Liabilities			
	(a) Short-term borrowings	F	35,510.20	37,795.19
	(b) Trade payables		-	-
	(c) Other Current liabilities	G	36,834.52	41,400.44
	(d) Short Term Provisions	H	1,682.58	1,395.94
TOTAL			1,83,595.80	1,98,350.38
II.	ASSETS			
(1)	Non-current Assets			
	(a) Property, Plant and Equipment			
	(i) Tangible Assets	I	19,428.79	20,171.24
	(ii) Intangible Asset	J	14.28	31.58
	(iii) Capital work-in-progress		-	-
	(b) Non-current investments	K	5.81	5.81
	(c) Deferred Tax assets (Net)		908.77	727.40
	(d) Long term loans and advances	L	1,969.01	1,983.64
	(e) Other non-current asset		-	-
(2)	Current Assets			
	(a) Current Investments		-	-
	(b) Cash and cash equivalents	M	8,342.95	10,212.30
	(c) Short-term loans and advances	N	138,472.95	163,078.52
	(d) Other current assets	O	14,453.24	2,139.89
TOTAL			1,83,595.80	1,98,350.38

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)

Dr Kurian P Abraham
Chief Executive Officer

Ann Mary George, ACA
Chief Financial Officer

K S Smitha, ACS
Company Secretary

Place : Kochi

Date : 28th May, 2019

Annual Report 2018 - 2019

MUTHOOTTU MINI FINANCIERS LIMITED

CIN : U65910KL1998PLCO12154

Muthoottu Buildings, Kozhencherry, Pathanamthitta - 689 641

STATEMENT OF PROFIT AND LOSS

(Rupees in Lakhs)

Particulars		Note No.	For the Year Ended 31/03/2019	For the Year Ended 31/03/2018
I	Revenue from operations	P	29,612.44	33,260.16
II	Other Income	Q	203.04	233.23
III	Total Revenue (I + II)		29,815.48	33,493.39
IV	Expenses			
	(a) Employee benefits expenses	R	5,837.99	6,208.98
	(b) Finance Costs	S	16,461.05	19,493.31
	(c) Depreciation and amortization expenses	T	881.90	1,343.45
	(d) Other expenses	U	4,055.96	3,965.05
	Total Expenses		27,236.90	31,010.79
V	Profit before Exceptional & Extraordinary items (III-IV)		2,578.58	2,482.60
VI	Exceptional items		-	-
VII	Profit before Extraordinary items & Tax (V-VI)		2,578.58	2,482.60
VIII	Extraordinary items		-	-
IX	Profit Before Tax		2,578.58	2,482.60
X	Tax Expenses			
	(a) Current Tax/ MAT		664.35	990.41
	(b) Deferred Tax		(181.37)	67.60
XI	Profit/ (Loss) for the period		2,095.60	1,424.59
XII	Earnings per share:			
	(a) Basic		8.40	4.31
	(b) Diluted		8.40	4.31

See accompanying notes to the financial statements

For Muthoottu Mini Financiers Limited

As per our report of even date attached

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)

Dr Kurian P Abraham
Chief Executive Officer

Ann Mary George , ACA
Chief Financial Officer

K S Smitha, ACS
Company Secretary

Place : Kochi

Date : 28th May, 2019

MUTHOOTTU MINI FINANCIERS LIMITED

CIN : U65910KL1998PLCO12154

Muthoottu Buildings, Kozhencherry, Pathanamthitta - 689 641

CASH FLOW STATEMENT

(Rupees in Lakhs)

Particulars	For the year ended 31.03.2019		For the year ended 31.03.2018	
A. Cash Flow from Operating Activities				
Profit before tax after prior period adjustments		2,578.58		2,482.60
Adjustments for :				
Provision for Standard Assets	(54.82)		(11.58)	
Provision for NPA	291.30		(27.38)	
Provision for Asset Under Securitisation	50.17			
Provision for Gratuity (Net)	(11.55)		37.26	
(Profit) / Loss on Sale of assets	(6.56)		(75.18)	
Finance Cost	16,461.05		19,493.31	
Depreciation	835.73		1,196.13	
Income from Non-Operating Business	(0.20)	17,565.12	(0.19)	20,612.37
Operating Profit / (Loss) before working capital Adjustments		20,143.70		23,094.97
Adjustments for :				
Short term loans & Advances	24,605.57		32,861.96	
Other Current Assets	(12,313.35)		201.50	
Short term borrowings	(2,284.99)		(534.81)	
Current Liabilities	(4,565.92)	5,441.31	(9,672.37)	22,856.30
Cash Generated from operations		25,585.01		45,951.27
Income Tax paid / Provisions		664.35		990.41
Net Cash Flow from Operating Activity		24,920.66		44,960.86
B. Cash Flow from Investment Activities				
Income from Investment		0.20		0.19
(Increase)/Decrease in Long Term Loans & Advances		14.62		218.73
Sale of Fixed Assets		33.42		954.12
Purchase of Fixed Assets		(102.97)		(209.64)
Net Cash Flow from Investment Activity		(54.73)		963.40
C. Cash Flow from Financing Activity				
Increase/(Decrease) in Long Term Borrowings		(10,008.54)		(28,050.32)
Increase/(Decrease) in Other Long-term Liabilities		(265.68)		
Finance Cost		(16,461.05)		(19,493.31)
Increase/(Decrease) in Capital incl. Securities Premium		-		4,046.69
Net Cash Flow from Financing Activity		(26,735.27)		(43,496.94)

Net Increase/(Decrease)in Cash & Cash Equivalents(A+B+C)		(1,869.35)		2,427.32
Opening Balance of Cash & Cash Equivalents		10,212.30		7,784.98
Closing Balance of Cash & Cash Equivalents		8,342.95		10,212.30
Components of Cash and Cash Equivalents				
Current Account with Banks		4,215.57		6,586.09
Deposit with Banks		2,870.35		2,227.92
Cash in Hand		1,257.03		1,398.29
		8,342.95		10,212.30

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)

Dr Kurian P Abraham

Chief Executive Officer

Ann Mary George, ACA

Chief Financial Officer

K S Smitha, ACS

Company Secretary

Place : Kochi

Date : 28th May, 2019

ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

A. Share Capital

(Rupees in Lakhs)

Particulars	As at 31/03/2019		As at 31/03/2018	
	Number	Amount	Number	Amount
Authorised Capital				
Equity shares of Rs. 100/- each	32,500,000	32,500	32,500,000	32,500
Issued, Subscribed & Paid up				
Equity shares of Rs. 100/- each, fully paid	24,952,539	24,952.54	24,952,539	24,952.54

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 31/03/2019		As at 31/03/2018	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	24,952,539	24,952.54	22,500,000	22,500.00
Shares issued during the period	-	-	2,452,539	2,452.54
Shares bought back during the period	-	-	-	-
Shares outstanding at the end of the year	24,952,539	24,952.54	24,952,539	24,952.54
Particulars of shareholders holding more than 5 percent share				
Name of shareholder	As at 31/03/2019		As at 31/03/2018	
	Number	%	Number	%
Mr. Mathew Muthoottu	14,779,912	59.23%	14,779,912	59.23%
Nizzy Mathew	3,354,446	13.44%	3,354,446	13.44%
Mini Muthoottu Hotels (P) Ltd	2,551,298	10.22%	2,551,298	10.22%
Mini Muthoottu Credit India (P) Ltd	1,419,841	5.69%	1,419,841	5.69%

Particulars of Shares Issued during the Previous 5 Years					
Particulars	During the Year/Period				
	2017-18	2016-17	2015-16	2014-15	2013-14
Equity Shares of Rs. 100/- each					
Aggregate no. of shares allotted as fully paid up pursuant to contracts without payment being received in cash	-	-	-	-	-
Aggregate number & class of shares allotted as fully paid up by way of bonus shares	-	-	-	-	2,500,000
Aggregate number & class of shares bought back	-	-	-	-	-

B. Reserve and Surplus

(Rupees in Lakhs)

Particulars	As at 31/03/2019	As at 31/03/2018
a. Securities Premium Reserve		
Opening Balance	7,844.15	6,250.00
(+) Securities Premium credited on Share Issue	-	1,594.15
Closing Balance	7,844.15	7,844.15
b. Debenture Redemption Reserve		
Opening Balance	13,172.72	12,801.65
(+) Current Year Transfer	(4,608.64)	371.07
Closing Balance	8,564.08	13,172.72
c. Revaluation Reserve		
Opening Balance	350.00	350.00
(+) Current Year Transfer	-	-
Closing Balance	350.00	350.00
d. Other Reserves		
(i). Special Reserve Fund(u/s 45 IC of RBI Act, 1934)		
Opening Balance	3,652.54	3,367.63
(+) Current Year Transfer	419.09	284.92
Closing Balance	4,071.64	3,652.54
e. Surplus in Profit & Loss Statement		
Opening Balance	(7,339.90)	(8,108.51)
(+) Net profit /(loss) for the current year	2,095.47	1,424.59
(-) Transfer to Special Reserves	(419.09)	(284.92)
(+) Transfer from Debenture Redemption Reserves	4,608.64	(371.07)
Closing Balance	(1,054.89)	(7,339.90)
TOTAL	19,774.98	17,679.51

C. Long Term Borrowings

(Rupees in Lakhs)

Particulars	As at 31/03/2019	As at 31/03/2018
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
(iii) Issue 1 (maturity on 27-Sep-2019)	-	3,106.56
(iv) Issue 5 (maturity on 25-May-2019)	-	1,594.86
Sub-Total	5,585.97	10,900.08
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 in 2021-2022	946.25	-
Maturity in 2020-2021	960.00	640.00
Maturity in 2019-2020	-	1,072.44
Maturity in 2018-2019	-	-
Sub-Total	1,906.25	1,712.44
UNSECURED LOAN		
(a) Bonds/debentures		
Subordinate Debt	20,467.07	20,467.07
Unsecured Privately Placed NCD	448.50	373.75
Unsecured Public Placed NCD - Public Issue II(maturity on 04-Feb-2020)	-	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	39,308.84	44,197.08
TOTAL	46,801.06	56,809.60

D. Other Long-term Liabilities

(Rupees in Lakhs)

Particulars	As at 31/03/2019	As at 31/03/2018
(a) Others		
Interest accrued but not due on debentures & sub debt	17,906.00	18,171.68
TOTAL	17,906.00	18,171.68

E. Short-term borrowings

(Rupees in Lakhs)

Particulars	As at 31/03/2019	As at 31/03/2018
(a) Provision for employee benefits		
Gratuity	133.92	145.47
(b) Others	-	-
TOTAL	133.92	145.47

F. Short-term borrowings

(Rupees in Lakhs)

Particulars	As at 31/03/2019	As at 31/03/2018
SECURED LOAN		
(a) Loans repayable on demand		
(A) From Bank		
(i) South Indian Bank Limited, Banerji Road, Ernakulam	16,533.31	15,478.70
(ii) State Bank of India, Commercial Br., Ernakulam	4,503.62	3,484.75
(iii) Dhanalaxmi Bank, Shanmugam Road, Ernakulam	1,213.46	1,566.41
(iv) Andhra Bank, M.G Road , Ernakulam	5,047.70	7,457.11
(v) Indus Ind Bank, M.G Road. Ernakulam	4,525.42	3,337.54
(vi) Union Bank Of India, Kottayam	2,100.72	2,435.48
(vii) Oriental Bank of Commerce,Coimbatore	1,585.98	4,035.20
(B) From Others		
	35,510.20	37,795.19

G. Other Current Liabilities

(Rupees in Lakhs)

Particulars	As at 31/03/2019	As at 31/03/2018
a) Current Maturity of Long Term Debts		
(i) Secured, Privately Placed NCD	1,626.94	9,865.11
(ii) Secured, Redeemable NCD Public Issue	5,314.11	18,434.56
(iii) Unsecured, Privately Placed NCD	1,080.00	768.46
(iv) Term Loan -SIB	-	419.07
(v) Term Loan -Dhanalakshmi bank	-	208.33
(iv) Vehicle Loans	9.63	33.77
(vii) Unclaimed Matured Debentures	235.87	372.19
(viii) SIB Term Loan	14,614.93	-
(ix) Unsecured Public Placed NCD	4,962.99	-
Sub-Total	27,844.47	30,101.49
b) Interest accrued but not due on Debentures	8,015.81	10,082.49
c) Interest accrued on Unclaimed debenture	169.97	259.99
d) Other Payables		

NCD (kept hold as per court order)	53.02	53.02
ESI, EPF & Staff Welfare Fund	35.37	36.04
Tax Deducted at Source	90.36	248.43
Professional tax	-	0.11
Sundry Deposit	0.29	0.29
Caution Deposit	42.31	36.26
Expenses payable	299.32	132.30
Earmarked CSR Fund	20.14	28.88
Rent Payable	3.98	8.82
Kotak Insurance Payable	4.29	33.26
Auction Surplus Payable	212.38	238.54
GST Payable	41.37	139.42
Stamp Duty Collected	1.44	0.92
Interest Payable on Sub Debt	0.02	0.17
Sub-Total	8,990.06	11,298.95
TOTAL	36,834.52	41,400.44

H. Short-term Provisions

Particulars	As at 31/03/2019	As at 31/03/2018
i)Contingent Provision for Standard Assets	541.94	596.76
ii) Provision for Bad and Doubtful debt		
(a) Provision for Non Performing Assets	1,090.47	799.17
iii) Provision for Asset Under Securitisation	50.17	-
TOTAL	1,682.58	1,395.94

Note-I : TANGIBLE ASSETS

(Rupees in Lakhs)

Sl. No.	Asset	FOR BALANCE AS ON 01.04.2018				FOR ADDITIONS DURING THE PERIOD				NET BALANCE AS ON 31.03.2019		
		WDV as on 01.04.2018	Sale/ (Adj.)	Depreciation (A)	WDV as on 31.03.2019	Cost	Sale/ (Adj.)	Depreciation (B)	WDV as on 31.03.2019	Depreciable Value	Depreciation for the year (A+B)	WDV as on 31.03.2019
I	LAND & LAND DEVELOPMENT	14,599.67	-	-	14,599.67	-	-	-	-	14,599.67	-	14,599.67
II	BUILDINGS	3,352.75	-	198.41	3,154.35	-	-	-	-	3,352.75	198.41	3,154.35
III	PLANT & MACHINERY	594.21	0.30	116.85	477.05	35.35	0.14	2.15	33.06	629.11	119.00	510.11
IV	FURNITURE & FITTINGS	1,374.14	1.48	404.11	968.55	9.42	-	0.40	9.02	1,382.08	404.51	977.58
V	ELECTRICAL INSTALLATIONS	52.85	-	16.12	36.74	20.39	0.35	0.98	19.06	72.90	17.09	55.80
VI	MOTOR VEHICLES	125.55	24.73	37.87	62.96	-	-	-	-	100.82	37.87	62.96
VII	COMPUTERS AND DATA PROCESSING UNITS	72.07	-	27.83	44.23	37.81	-	13.71	24.10	109.88	41.54	68.34
TOTAL		20,171.24	26.51	801.18	19,343.55	102.97	0.49	17.24	85.25	20,247.21	818.42	19,428.79

Note-J : INTANGIBLE ASSETS

(Rupees in Lakhs)

Sl. No.	Asset	FOR BALANCE AS ON 01.04.2018				For Additions During The Period				Net Balance As On 31.03.2019		
		WDV as on 01.04.2018	Sale/ (Adj.)	Depreciation (A)	WDV as on 31.03.2019	Cost	Sale/ (Adj.)	Depreciation (B)	WDV as on 31.03.2019	Depreciable Value	Depreciation for the year (A+B)	WDV as on 31.03.2019
I	SOFTWARE AND LICENSES	31.58	-	17.31	14.28	-	-	-	-	31.58	17.31	14.28
Total		31.58	-	17.31	14.28	-	-	-	-	31.58	17.31	14.28

K. Non Current Investments

(Rupees in Lakhs)

Particulars	As at 31/03/2019	As at 31/03/2018
Other Investments		
(a) Investment in Equity instruments	5.81	5.81
TOTAL	5.81	5.81

L. Long Term Loans & Advances

(Rupees in Lakhs)

Particulars	As at 31/03/2019	As at 31/03/2018
a) Security Deposits		
<u>Unsecured, considered good</u>		
Rent Deposit	1,583.39	1,598.28
Security Deposit with NSE, BSE & CDSL	383.75	383.75
Security Deposit VAT	0.25	0.25
Telephone Deposit	0.48	0.57
Electricity Deposit	0.89	0.54
HDFC STD Life deposit	0.25	0.25
TOTAL	1,969.01	1,983.64

M. Cash & Cash Equivalents

(Rupees in Lakhs)

Particulars	As at 31/03/2019	As at 31/03/2018
a) Balances with banks		
In deposit account	2,870.35	2,227.92
In current account	4,215.57	6,586.09
b) Cash in hand	1,257.03	1,398.29
TOTAL	8,342.95	10,212.30

N. Short Term Loans & Advances

(Rupees in Lakhs)

Particulars	As at 31/03/2019	As at 31/03/2018
(a) Loans & Advances to Others		
(A) Secured considered good		
Gold Loan	132,140.46	152,269.93
Loan Against Property	152.87	313.19
(B) Secured considered doubtful		
Gold Loan	2,872.51	3,162.90
Loan Against Property	91.93	91.93
(C) Other Unsecured Loan	3,192.19	7,240.57
(D) Unsecured considered doubtful	22.99	
TOTAL	138,472.95	163,078.52
*Include interest receivable Rs.7026.75 & PY Rs.10,709.95		

Note O - Other Current Assets

(Rupees in Lakhs)

Particulars	As at 31/03/2019	As at 31/03/2018
Commission/Incentive Receivable	36.17	48.51
Prepaid Expenses	97.42	88.22
Income Tax including TDS (Net of Provisions)	1,533.05	1,726.57
Other Advances/Receivables	92.33	62.04
Insurance deposit	0.96	0.96
Third Party Products	42.34	60.75
Krishi Kalyan Cess Receivable	0.41	0.41
Rent Receivable	16.07	37.63
Kotak Mahindra	0.60	0.60
CDSL Commission and subscription	0.35	0.35
GST Receivable	90.84	113.85
Rent Advance	0.10	-
Asset Under Securitisation	12,542.62	-
TOTAL	14,453.24	2,139.89

P. Revenue from Operations

(Rupees in Lakhs)

Particulars	31/03/2019	31/03/2018
a) Interest Income		
On Loans & Advances	26,971.82	27,920.65
On Auction	866.71	3,847.78
On Income Generated Loan Interest	1,354.33	883.93
On Loan against debentures	-	18.19
On Deposits	208.69	203.34
Interest on loan against property	49.60	76.64
Interest Others	1.89	1.30
	29,453.05	32,951.83
b) Other Financial Services		
Commission & Brokerage	74.57	153.15
Other Operating Income	84.83	155.18
	159.40	308.33
TOTAL	29,612.44	33,260.16

Q. Other Income

(Rupees in Lakhs)

Particulars	31/03/2019	31/03/2018
a) Dividend income	0.20	0.19
b) Other non-operating income	202.84	233.04
TOTAL	203.04	233.23

R. Employee Benefits Expenses

(Rupees in Lakhs)

Particulars	31/03/2019	31/03/2018
a) Salaries & Wages		
Staff	5,002.48	5,230.79
Gratuity	31.57	87.94
b) Other Expenses	688.67	772.22
c) Directors Remuneration		
Salary & Allowances	111.60	111.60
Travelling Expense	0.90	2.24
Sitting fee to directors	2.60	3.19
TA to Non executive directors	0.17	1.00
TOTAL	5,837.99	6,208.98

S. Finance Costs

(Rupees in Lakhs)

Particulars	31/03/2019	31/03/2018
a) Interest expenses		
Interest on Debentures (Private Placement) & Subordinate Debt	4,173.27	5,925.73
Interest on Debentures (Public Issue)	6,967.58	8,916.52
Interest on Loans	5,040.64	4,530.76
Bank Charges	265.50	106.02
Interest on Application Money (NCD)	14.06	14.28
TOTAL	16,461.05	19,493.31

T. Depreciation & Amortisation Expenses

(Rupees in Lakhs)

Particulars	31/03/2019	31/03/2018
Depreciation Expenses	835.73	1,196.13
Amortisation of NCD Public Issue Expenses	46.17	147.32
TOTAL	881.90	1,343.45

U. Other Expenses

(Rupees in Lakhs)

Particulars	31/03/2019	31/03/2018
Power and fuel	205.41	211.45
Rent	1,846.65	1,798.72
Repairs & Maintenance	210.50	198.96
Insurance	80.03	89.15
Rates & Taxes, excluding, taxes on income	143.89	200.24
Payment to Auditors	19.63	19.62
Business Promotion expenses	26.78	13.03
General Office Expenses	252.17	385.47
Advertisement charges	11.33	24.53

Bad debts written off	-	2.43
Travelling Expenses to Staff	186.50	215.58
Legal & Professional Charges	81.81	139.08
Telephone Charges	164.59	195.50
Postage & Courier	56.28	19.61
Printing & Stationery	133.59	147.30
Other Expenses	125.90	38.89
Provision for Non-performing assets	291.30	(27.38)
Provision for Asset Under Securitisation	50.17	-
Contingent Provision for Standard Assets	(54.82)	(11.58)
Vehicle Running & Maintenance Expenses	11.68	12.29
Security Charges	161.42	215.48
Subscription Charges - Spot Exchange	16.14	2.39
Corporate Social Responsibility	-	7.45
Public Issue NCD	29.69	65.20
Loss on sale of Fixed assets	5.33	1.61
TOTAL	4,055.96	3,965.05

Significant Accounting Policies & Accompanying Notes to Financial Statements

I. Corporate Information :

Muthoottu Mini Financiers Limited is a public limited company incorporated under the provisions of the Companies Act, 1956. The company was primarily incorporated as a private limited company on March 18, 1998 under the provisions of the Companies Act 1956 and the certificate of incorporation was issued by the registrar of companies Kochi. Pursuant to a special resolution passed in the general meeting of the Shareholders of the Company held on September 14, 2013, the Company was converted into a public limited company and a fresh certificate of incorporation was issued by the Registrar of Companies on November 27, 2013. The Company currently operates through 766 branches across the country.

The Company is engaged in full-fledged Gold Loan business, its debt securities are listed on Bombay Stock Exchange and has accepted debentures under private placement complying with the provisions as per RBI guidelines. As part of diversification of business the Company, apart from the core business of Gold Loan and Public issue of Debentures have entered the arena of Microfinance, Insurance agency 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:

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

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

E. Property Plant and Equipment

➤ Tangible Assets

Tangible 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. The residual values, useful life and method of depreciation of fixed assets are reviewed each year and adjusted appropriately.

➤ Intangible Assets

Intangible Assets are amortized over their expected useful life. It is stated at cost, net of amortization. The computer software is amortized over a period of three years on written down value method.

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 assets are reviewed at each balance sheet date to ascertain impairment based on internal / external factors. An impairment loss is recognized when the carrying amount of asset exceeds its recoverable amount. The recoverable amount is the higher of the net selling price of assets or their value in use. After impairment, the depreciation is provided on the revised carrying amount of asset over its remaining useful life. A previously recognized impairment loss is increased or reversed depending on change in circumstances. However, carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no depreciation.

H. Revenues Recognition

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

Investment intended to be held for not more than one year are classified as current investments. All other investments are classified as Non-current investments. Current investments are carried at lower of cost and fair value determined on individual investment basis. Non-current investments are carried at cost.

K. Accounting for Taxes on Income

Income tax expenses comprises of current tax and deferred asset/liability.

- i. Provision for current tax is the amount of tax payable on the taxable income for the year determined as per section 115 JB (Minimum Alternative Tax) of Income tax Act, 1961. And the Minimum Alternative Tax credit carried forwarded u/s 115JAA is Rs. 13,04,42,187/-
- ii. Deferred tax is recognized, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

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 2016, issued on 1st September, 2016(updated as on 16th May, 2019).

N. Debenture Redemption Reserve

In terms of section 71 of the companies Act, 2013 read with rule 18(7) of the companies (share capital and debenture) rule 2014, the company has created Debenture Redemption Reserve in respect of Secured and Unsecured Redeemable Non-Convertible Debenture issued through public issue as per SEBI (Issue and listing of Debt Securities) Regulations, 2008. No Debenture Redemption Reserve is to be created for privately placed debentures of Non-banking Finance Companies.

O. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized only when the company has present, legal or constructive obligations as a result of past events, for which it is probable that an outflow of economic benefit will be required to settle the transaction and a reliable estimate can be made for the amount of obligation.

Contingent liability is disclosed for a possible obligations which will be confirmed only by future events not wholly within the control of the company or present obligation arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent Assets are neither recognized nor disclosed in the financial statement.

P. Borrowing Costs and Debenture Issue Expenses

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are be capitalised as part of the cost of respective asset. All other borrowing cost are expensed in the period in which they occur.

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,

S. Events occurring after the Balance Sheet Date

Material Events occurring after the Balance Sheet date are taken into cognizance while preparing the financial statements. We have raised an amount of Rs.11,671.79 lakhs through public issue of secured redeemable non-convertible debenture, which commenced on 18-03-2019 and closed on 16-04-2019.

T. 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.

U. 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 and auction policy.

V. 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.

W. Cash Flow

The company reporting cash flow statement in indirect method, whereby net profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows.

III. ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

1. Term loans

On vehicle loans, the outstanding liability as on 31st March

2019 is 9.63 Lakhs (PY 33.77 lakhs), and is shown under the head Other Current Liabilities.

Loan under Securitization

Due to the current economic scenario, the company could not secure any additional bank loan facility during the year and therefore raised a fund amounting to Rs. 20,000 lakhs from The South Indian Bank Ltd pursuant to an assignment agreement dated 31-12-2018. Identified gold receivables of value amounting to Rs. 22,300 lakhs have been assigned at an interest rate 10.35% p.a. The outstanding balance as on 31.03.2019 is 14,614.93. The company has made provision @ 0.4% for the amount outstanding as on 31.03.2019.

2. Secured Redeemable Non-Convertible Debentures – Listed

The outstanding amount of Secured Redeemable Non-Convertible Listed Debentures raised through Public Issue stood at Rs. 10,900.08 Lakhs (Previous Year: Rs.29,334.64 Lakhs). There is no fresh issue of debentures during the FY -18-19.

Date of maturity	Amount (Rs. in Lakhs) As at 31 st March, 2019	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%
TOTAL	10,900.08	

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. 3,533.19 Lakhs (Previous year: Rs. 11,577.55 Lakhs). During the FY 2018-2019. Secured Privately Placed NCD amounting to Rs. 1,824.00 Lakhs was raised.

Series	Redemption Period	Amount (Rs. in Lakhs) As on 31.03.2019	Interest Rate
X	1 Year to 6 Years	2.00	11.50-18.18%

XIII	1 Year to 6 Years	14.32	12.50-18.18%
XIV	1 Year to 6 Years	20.22	12.50-18.18%
XV	1 Year to 6 Years	18.03	12.50-18.18%
XVI	1 Year to 6 Years	24.98	12.50-18.18%
XVII	1 Year to 6 Years	36.46	12.50-18.18%
XVIII	1 Year to 6 Years	3417.18	12.00-18.18%
TOTAL		3,533.19	

4. Unsecured Debentures – Listed (Forming part of Tier II Capital)

The outstanding amount of Unsecured Debentures which forming part of Tier II capital 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 FY-2018-2019.

Date of maturity	Amount (Rs. in Lakhs) As at 31st March,2019	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%
TOTAL	23,356.26	

5. Unsecured Debentures - Unlisted

The outstanding amount of Unsecured Privately placed Debentures stood at Rs. 1,528.50Lakhs(Previous Year: Rs. 1,142.21 Lakhs). During the FY-18-19 Unsecured Privately Placed NCD's amounting to Rs. 1,155 Lakhs were raised.

Date of maturity	Amount (Rs. in Lakhs) As at 31st March,2019	Interest Rate
2021 – 2022	203.50	24.74% - 24.77%
2020 - 2021	245.00	12.50% - 18.18%
2019 - 2020	1,080.00	11.25% - 18.18%
TOTAL	1,528.50	

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 Reserve Bank Directions, 2016. 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,2019	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 Matured Debentures

The outstanding amount of Unclaimed Matured Debentures with applicable accumulated interest, as on 31st March 2019 is Rs.405.84Lakhs. The same has been transferred to escrow account maintained with Indusind Bank.Kochi, A/C No: 201002755275.

Series	Principal	Interest	Total
X	108.86	28.32	137.18
XI	1.00	1.09	2.09
XIII	14.58	16.08	30.66
XIV	6.30	6.98	13.28
XV	7.59	8.33	15.92
XVI	3.45	3.76	7.21
XVII	19.94	21.67	41.61
XVIII	74.15	83.74	157.89
Total	235.87	169.97	405.84

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

As per the Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Reserve Bank Directions, 2016, 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	2018-19	2017-18
Provision for Standard Assets		
Provision at the beginning of the year	596.76	608.34
Additional provision made during the year	(54.82)	(11.58)
Provision at the close of the year	541.94	596.76
Non-Performing Assets	As at 31st March 2019	As at 31st March 2018
Sub-standard Assets	66.29	121.76
Doubtful Assets (Upto 1 year)	129.01	145.19
Doubtful Assets (1 – 3 years)	296.23	270.96
Doubtful Assets (More than 3 years)	390.74	146.73
Loss Assets	208.20	114.53
Total Non-performing Assets	1,090.47	799.17
Provision for non-performing assets	2018-19	2017-18
Provision at the beginning of the year	799.17	826.55
Additional provision made during the year	291.30	(27.38)
Provision at the close of the year	1,090.47	799.17

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	2018-19	2017-18
Opening Balance	727.40	795.00
Created/(Reversed) during the year on account of Depreciation and Provision for Gratuity	181.37	(67.60)
Net Deferred Tax Asset/(Liability)	908.77	727.40

10. PROVISION FOR GRATUITY

The provision for gratuity was revised during the period according to the actuarial valuation report. Detailed workings are as under:

Particulars	2018-19	2017-18
Opening Balance	145.47	108.20
Less: Gratuity Paid during 18-19	43.12	50.67
Add: Provision made during FY18-19	31.57	87.94
Provision for Gratuity FY 18-19	133.92	145.47

11. CONTINGENT LIABILITY

Particulars	Amount (Rs. in Lakhs)
a) Claims against the company not acknowledged as debts	831.54
b) Other money for which the company is contingently liable	280.33

a. Claims against the company not acknowledged as debts

Sl. No	A.Y	Section	Tax Demand	Total Tax Paid	Bank Guarantee given	Forum where dispute is pending
1	2010-11	u/s 200A	4,28,085	-	-	Commissioner of Income-tax (Appeals), Kochi
2	2011-12	u/s 156	29,70,540	29,70,540	-	ITAT Cochin
3	2012-13	u/s 156	38,57,170	38,57,170	-	ITAT Cochin
4	2013-14	u/s 154	1,99,83,580	39,96,716	1,59,86,864	Commissioner of Income-tax (Appeals), Kochi
5	2015-16	u/s 154	2,70,19,180	54,03,836	2,16,15,344	Commissioner of Income-tax (Appeals), Kochi
6	2016-17	u/s 156	1,70,37,970	34,07,594	1,36,30,376	Commissioner of Income-tax (Appeals), Kochi
7	2017-18	u/s 154	1,18,57,699	23,71,539	94,86,160	Commissioner of Income-tax (Appeals), Kochi
Total			8,31,54,224	2,20,07,395	6,07,18,744	

b. Other money for which the company is contingently liable: (Frauds against the company committed by employees)

SL NO	BRANCH	AMOUNT	PROVISION CREATED
1	APR-Sattenappalli	47,97,400	47,97,400
2	DLH-Tughlakabad	3,88,997	3,88,997
3	HAR- BK Chowk	3,17,000	3,17,000
4	HAR-Old Railway Road	15,14,200	15,14,200
5	KAR- Maruthiseva Nagar	3,76,858	3,76,858
6	KAR- Ramanagar	24,24,878	24,24,878
7	KAR-Sumanahalli	4,54,000	4,54,000
8	MHR-Charkop	50,33,370	50,33,370
9	MHR- Goregaon	2,33,400	2,33,400
10	TML-Nadarmedu	54,68,000	54,68,000
11	TML-Panthalkudi	28,78,670	28,78,670
12	TML-Shenkottai	41,47,200	41,47,200
Total		2,80,33,973	2,80,33,973

All above 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 (Whole-time Director)	Key Managerial Personnel(KMP)
Mathew Muthoottu (Managing Director)	
Dr Kurian P Abraham (CEO)	
Ann Mary George, ACA (CFO)	
Smitha K S, ACS (CS)	
Mammen Mathew	Director
Roy M Mathew	Relatives of Key Managerial Personnel / Director
Saramma Mammen	
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 Pvt Ltd	

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		
	Mathew Muthoottu (Managing Director)	Nizzy Mathew (Whole-time Director)	Dr Kurian P Abraham (CEO)	Ann Mary George, ACA (CFO)	Smitha K S, ACS (CS)		Mammen Mathew	Roy M Mathew	Saramma Mammen	Nirmal Mathew	M/S Muthoot-tu Mini Hotels	Mini Mut-hoottu Nidhi Kerala Ltd
Salary & Allowances	60.00	51.60	***6.97	19.92	16.80	-		6.00				-
Sitting fees		-				0.20*			-			-
Rent/ Maintenance charges**	3.45	1.10				0.59	3.25	3.24	1.07	2.35	3.00	2.40
Rent Received		3.54				-			-		25.04	
Travelling expense	0.90					-			-			-
Debenture Interest												
Debenture Subscribed/ Redeemed												

*Resigned effective from 23/07/2018

**The value of transactions are excluding GST.

*** Date of Joining Of Dr Kurian P Abraham 14-01-2019

13. MANAGERIAL REMUNERATION

Amount (Rs in Lakhs)

Sl. No	Name of the Director	Current Year	Previous Year
I. Whole time Director			
1.	Nizzy Mathew	51.60	51.60
2.	Mathew Muthoottu	60.00	60.00
II. Key Managerial Person			
1.	Dr Kurian P Abraham	6.97	-
4.	Chief Financial Officer	19.92	19.92
5.	Company Secretary	16.80	16.80
Total		155.29	148.32

- Date of Joining Of Dr Kurian P Abraham 14-01-2019

14. AUDITORS' REMUNERATION (EXCLUDING GST)

Amount (Rs in Lakhs)

Particulars	Current Year	Previous Year
For Statutory Audit	19.63	19.62

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 31/03/2019	As on 31/03/2018
CRAR – Tier I Capital (%)	25.11%	22.33%
CRAR – Tier II Capital (%)	9.74%	11.58%
CRAR (%)	34.85%	33.90%

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.1,846.65 Lakhs (Previous Year Rs.1,798.72Lakhs) 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

18. 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.

19. 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.

20. 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. 419.09 lakhs is appropriated from Statement of Profit and Loss to the Special Reserve Fund.
- b. Debenture Redemption Reserve as at 31st March 2018 amounts to Rs.13,172.72/- lakhs and Rs. 4,608.64/- lakhs is transferred to the Statement of Profit and Loss during the year. Closing balance of Debenture redemption reserve as on 31st March, 2019 is 8,564.08/-.

21. FOREIGN EXCHANGE TRANSACTIONS

There are no foreign currency transactions during the financial year.

22. GUARANTEE FOR LOANS TAKEN BY OTHERS

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

23. PREVIOUS YEAR FIGURES

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

MUTHOOTTU MINI FINANCIERS LIMITED

Muthoottu Buildings, Kozhencherry, Pathanamthitta - 689641

Additional disclosures required as per Reserve Bank of India guidelines

1. Disclosure required as per annex II of Systemically important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2016 (Notification No. DNBR2016-17/45 Dated 01st September 2016, updated as on 16th May, 2019)

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	21,214.13	405.84**
	: Unsecured (other than falling within the meaning of public deposits*)	37,862.21	-
	(b) Deferred Credits	-	-
	(c) Term Loans	9.63	-
	(d) Inter-corporate loans and borrowing	-	-
	(e) Commercial Paper	-	-
	(f) Public Deposits*	-	-
	(g) Other Loans (specify nature)	-	-
	Subordinated debt	26,630.56	-
	Borrowings from banks	35,510.20	-
	* Please see Note 1 below		
	** Debenture Matured But Not Claimed		
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	1,35,257.77
	(b) Unsecured	3,215.18
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 Total
	1	Related Parties	
		(a) Subsidiaries	-
		(b) Companies in the same group	-
		(c) Other related parties	-
	2	Other than related parties	1,35,257.77 3,215.18 1,38,472.95
		Less: provisions	1,587.58 44.83 1,632.41
		Total	1,33,670.19 3,170.35 1,36,840.54
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	2,987.43	
	(ii)	Net Non-Performing Assets		
		(a) Related parties	-	
		(b) Other than related parties	1,896.97	
	(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.			

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*	1,32,140.46	528.56	1,31,611.90
b) Sub-Standard Assets	342.25	34.22	308.03

c) Doubtful Assets	2,322.06	797.60	1,524.46
d) Loss Assets	208.20	208.20	-
Total–A	1,35,012.97	1,568.58	1,33,444.39
A) Other loans			
a) Standard Assets*	152.87	0.61	152.26
b) Sub-standard Assets	91.93	18.39	73.54
c) Doubtful Assets	-	-	-
d) Loss Assets	-	-	-
Total–B	244.80	19.00	225.80
Total-(A + B)	1,35,257.77	1,587.58	1,33,670.19
(ii) Unsecured loans			
A) Other loans			
a) Standard Assets*	3,192.19	12.77	3,179.42
b) Sub-standard Assets	22.99	32.06**	(9.07)
c) Doubtful Assets	-	-	-
d) Loss Assets	-	-	-
Total-A	3,215.18	44.83	3,170.36
Total (i + ii)	1,38,472.95	1,632.41	1,36,840.54

*Includes interest receivable

**Master Circular- 'Non-Banking Financial Company-Micro Finance Institutions' (NBFC-MFIs) –

Directions :“The aggregate loan provision to be maintained by NBFC-MFIs at any point of time shall not be less than the higher of a) 1% of the outstanding loan portfolio or b) 50% of the aggregate loan instalments which are overdue for more than 90 days and less than 180 days and 100% of the aggregate loan instalments which are overdue for 180 days or more.”

3. Provision for diminution in value of investment

(Amount in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
Provision for diminution in value of investment	-	-

4. Loan to Value Ratio

Particulars	As at 31.03.2019			As at 31.03.2018		
	Outstanding loan amount	Value of the security	%	Outstanding loan amount	Value of the security	%
Gold loan*	1,35,012.98	1,84,914.15	73.01%	1,55,432.83	2,20,025.64	70.64%

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

5. Disclosure with regards to Auction

Particulars	As at 31.03.2019	As at 31.03.2018
1. No. of gold loan accounts auctioned	8,262	39,912
2. Principal amount outstanding as on the date of auction (in Lakhs)	2,341.50	14,759.79
3. Interest amount outstanding as on the date of auction (in Lakhs)	965.83	6,285.84
Total(2+3)	3,307.33	21,045.63
4. Actual value fetched (in Lakhs)	3,296.96	18,750.49

6. Disclosure as per Annexure 14 of Non-Banking Financial companies-Corporate Governance (Reserve Bank) Directions, 2015 (Notification No. DNBR.019/CGM (CDS)-2015 dated April 10, 2015)

6.1 - CAPITAL

Particulars	As at 31.03.2019	As at 31.03.2018
1. CRAR (%)	34.85%	33.90%
2. CRAR- Tier I Capital (%)	25.11%	22.33%
3. CRAR- Tier II Capital (%)	9.74%	11.57%
4. Amount of subordinated debt raised as tier II Capital	16,075.20	20,717.42
5. Amount raised by issue of Perpetual Debt Instrument	-	-

6.2 - Investments

Particulars	As at 31.03.2019	As at 31.03.2018
(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	-	-
(ii) Add : Provisions made during the year	-	-
(iii) Less : Write-off / write-back of excess provisions during the year	-	-
(iv) Closing balance	-	-

6.3 -Derivatives

A. Forward Rate Agreement / Interest Rate Swap

Particulars	As at 31.03.2019	As at 31.03.2018
(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	-	-

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 31.03.2019	As at 31.03.2018
(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 31.03.2019	As at 31.03.2018
(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: Nil
D.1 Details of non-performing financial assets purchased

Particulars	As at 31.03.2019	As at 31.03.2018
(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.2 Details of non-performing financial assets sold

Particulars	As at 31.03.2019	As at 31.03.2018
(1)No. of accounts sold	-	-
(2)Aggregate outstanding	-	-
(3) Aggregate consideration received	-	-

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	-	-	-	-	-	-	-	-	-
Advances*	24,938.14	6,237.16	7,254.37	31,772.53	67,832.25	438.50	-	-	1,38,472.95
Investments	-	-	-	-	-	-	-	5.81	5.81

Borrowings	290.53	4,305.13	10,487.41	5,608.72	42,662.88	31,035.77	15,765.29	-	1,10,155.73
Foreign Currency assets	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-

*Includes interest receivable.

6.6 - Exposures

A. Exposure to Real Estate Sector

Category	As at 31.03.2019	As at 31.03.2018
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	244.80	405.12
(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	244.80	405.12

B. Exposure to Capital Market

Category	As at 31.03.2019	As at 31.03.2018
(i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	5.81	5.81
(ii) 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 (Micro Finance loan) of Rs.3, 215.18 lakhs given to group of women against their joint liability.

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

Name of related party	Relationship with company
Mathew Muthoottu (Managing Director)	Key Managerial Personnel(KMP)
Nizzy Mathew (Whole-time Director)	
Dr Kurian P Abraham (CEO)	
Ann Mary George, ACA (CFO)	
Smitha K S, ACS (CS)	
Mammen Mathew	Director
SarammaMammen	Relatives of Key Managerial Personnel / Director
Roy M Mathew	
Nirmal Mathew	
M/s Muthoottu Mini Hotels Pvt Ltd	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	155.29	-	6.00	-
Sitting fees	-	0.20	-	-
Rent/ Maintenance charges	4.55	0.59	7.56	7.75
Rent Received	3.54	-	-	25.04
Travelling expense	0.90	-	-	-

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	IND BBB-/Stable	Affirmed earlier ratings.
India Rating & Research Pvt Ltd	Bank Loan	IND BBB-/Stable	Affirmed earlier ratings.
CARE	NCD	CARE BBB-/Stable	From CARE BB+ upgraded

E.Remuneration to Non-Executive directors

Particulars	18-19	17-18
Sitting fees	2.60	3.19
Travel expenses	0.17	1.00

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	2,095.60
Prior Period Items	Nil
Changes in Accounting Policy	Nil

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.

6.8 Additional Disclosures
A. Provisions and Contingencies

Particulars	2018-19	2017-18
Break up of 'Provisions and Contingencies shown under the head Expenditure in Profit and Loss Account		-
Provisions for depreciation on Investment	-	-
Provision towards NPA	291.30	(27.38)
Provision made towards Income tax	664.35	990.41
Provision for gratuity	31.57	87.94
Provision for Standard Assets	(54.82)	(11.58)
Provision for Asset Under Securitisation	50.17	-

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.

(ii) Concentration of Advances

Particulars	Amount
Total Advances to twenty largest borrowers (Rs.in lakhs)	312.40
Percentage of Advances to twenty largest borrowers to Total Advances of the applicable NBFC	0.23%

(iii) Concentration of Exposures

Particulars	Amount
Total Exposure to twenty largest borrowers/customers	312.40
Percentage of Exposure to twenty largest borrowers/customers to Total exposure of the NBFC borrowers/customers	0.23%

(iv) Concentration of NPA

Particulars	Amount
Total Exposure to top four NPA Accounts	171.24

(v) Sector wise NPA's

Sector	Percentage of NPAs to Total Advances in that sector
Agriculture & allied activities	-
MSME	-
Corporate borrowers	-
Services	-
Unsecured personal loans	0.02%
Auto loans	-
Other personal loans	2.14%

D. Movement of NPAs

Particulars	As at 31.03.2019	As at 31.03.2018
(i) Net NPAs to Net Advances (%)	1.39%	1.54%
(ii) Movement of NPAs (Gross)		
(a) Opening balance	3,254.83	4,669.97
(b) Additions during the year	-	-
(c) Reductions during the year	267.40	1,415.14
(d) Closing balance	2,987.43	3,254.83
(iii) Movement of Net NPAs		
(a) Opening balance	2,455.66	3,843.41
(b) Additions during the year	-	-
(c) Reductions during the year	558.69	1,387.75
(d) Closing balance	1,896.97	2,455.66
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	799.17	826.55
(b) Provisions made during the year	291.30	-
(c) Write-off / write-back of excess provisions	-	27.38
(d) Closing balance	1,090.47	799.17

E. Off-Balance Sheet SPVs sponsored

Company has not sponsored any off Balance Sheet SPVs

F. Disclosure of Complaints

Particulars	2018-19
No. of complaints pending at the beginning of the year	27
No. of complaints received during the year	4
No. of complaints redressed during the year	6
No. of complaints pending at the end of the year	25



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