



Muthoottu
Mini Financiers Limited



ANNUAL REPORT 2020-2021





M. MATHEW MUTHOOTTU

KOZHENCHERRY

(Guiding light of Muthoottu)

DIRECTORS

MRS. NIZZY MATHEW

MR. MATHEW MUTHOOTTU
MR. PAUL JOSE MALIKAL
MR. RAJAGOPAL SASEENDRAN
MANGALATH
MR. JOHN V. GEORGE

CHAIRMAN &
WHOLE TIME DIRECTOR
MANAGING DIRECTOR
INDEPENDENT DIRECTOR
INDEPENDENT DIRECTOR

ADDITIONAL DIRECTOR

CHIEF EXECUTIVE OFFICER

MR. P. E. MATHAI

CHIEF FINANCIAL OFFICER

Mrs. ANN MARY GEORGE, ACA

COMPANY SECRETARY

Mrs. K.S SMITHA, ACS

STATUTORY AUDITORS

M/S. MANIKANDAN & ASSOCIATES,
CHARTERED ACCOUNTANTS
FIRM REG. NO. 0085205
KRISHNA ARCADE
KSRTC ROAD, CHALAKUDY

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. HDFC BANK LTD
- B. STATE BANK OF INDIA
- C. CANARA BANK
- D. INDUSIND BANK
- E. DHANLAXMI BANK LIMITED
- F. PUNJAB NATIONAL BANK
(ERSTWHILE ORIENTAL BANK OF COMMERCE)
- G. UNION BANK OF INDIA
- H. DCB BANK LIMITED
- I. KARUR VYSYA BANK
- J. CSB BANK LIMITED

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 Third Annual Report on the business and operations of your Company together with the audited accounts for the Financial Year ended March 31, 2021.

Financial Performance

FINANCIAL RESULTS

Rs. In lakhs

	2020-21	2019-20
Total Revenue	36,825.38	31,315.27
Total Expenditure	31,500.93	28,081.51
Profit before Tax	5,324.45	3,233.76
Tax Expense	2,133.31	-120.42
Profit for the period	3,191.14	3,354.18
Other Comprehensive Income	-18.11	-11.98
Total comprehensive income	3,173.03	3,342.20
Surplus appropriated as follows:		
- Transfer to Special Reserve	-634.61	-668.44
- Transfer from/(to) Debenture Redemption Reserve	0.00	8,564.08
Balance brought forward from previous year	10,273.56	-964.28
Surplus Carried Forward	12,811.98	10,273.56

Dividend

No dividend is being declared by the company.

Raising of Additional Capital

Company has not allotted any shares during the financial year 2020-21

Capital Adequacy

Your Company is well capitalized and has a capital adequacy ratio (Capital to risk weighted asset ratio- CRAR) of 25.75% as on March 31, 2021. 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. 32,500 Lakhs and the paid-up share capital of the Company is Rs. 24,953 Lakhs. The Company had not issued any equity shares either with or without differential rights during the FY 2020-21.

b) Debentures

- Private Placement of Debentures

The Company has not made any Private placement of debentures during the FY 2020-21.

- Public Issue of Secured and Unsecured NCDs

During the period under review, your Company has successfully completed four public issues of Secured and Unsecured Non-Convertible Debenture and has raised Rs. 706.59 Crores.

c) Bank Finance:

Bank Finance remains one of the important sources of funding for your Company. During the Year we have added 5 new banks who have sanctioned limits of 171 crores to the Company. As at the end of the financial year there were 10 Banks continuing their support to your Company with a total sanctioned limits amounting to Rs 445 crores.

Non Acceptance of 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 have been paid by the Company.

Debenture Redemption Reserve

Pursuant to Regulation 16 of the SEBI Debt Regulations and Section 71(4) of the Companies Act, 2013 states that where debentures are issued by any company, the company shall create a debenture redemption reserve out of the profits of the company available for payment of dividend. Rule 18(7) of the Companies (Share Capital and Debentures) Rules, 2014, as amended by Companies (Share Capital and Debentures) Amendment Rules, 2019, listed NBFC is not required to create a DRR in case of public issue of debentures. The rules further mandate that the company which is coming with a Public Issue shall deposit or invest, as the case may be, before the 30th day of April of each year a sum which shall not be less than 15% of the amount of its debentures maturing during the year ending on the 31st day of March of the next year in any one or more prescribed methods.

Accordingly, your Company is not required to create a DRR for the Public NCDs. The Company has maintained liquid assets amounting to Rs. 31.84 Crores in the form of Deposits with Scheduled Banks, which represents 15% of amount of its public issue of debentures maturing during the financial year 2020-21

Ratings

The Credit ratings for the Company are as detailed hereunder:

Credit Rating Agency	Instrument	Rating
CARE	Debt Instruments	BBB (Stable outlook) vide press release dated December 22, 2020
India Ratings & Research	Debt Instruments Long term Bank Facilities	BBB(Stable outlook) vide letter dated March 5, 2021

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. 32.17 Lakhs has been spent towards CSR in the current Financial Year. The total amount to be spent for the Financial Year 2020-21 is Rs. 57.21 Lakhs and the amounts unspent is identified to be spent in an approved project and an amount of Rs.28.60 lakhs has been deposited in a separate account, to be utilised in the approved projects during the ensuing Financial Year.

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

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.

Your Company upholds the standards of governance and is Compliant with corporate Governance provisions as Stipulated by Reserve Bank of India. The Board of Directors reviewed the corporate governance policy on 20th July 2020. The Composition of Board of Directors and Committees are as detailed hereunder

Board of Directors

The present strength of Board of Directors is Five (5) Directors which include two Executive Directors and three Non- Executive Directors, out of which our Board has two Independent Directors as detailed below:

Category	Name of Directors
Executive Director	Mathew Muthoottu <i>Managing Director</i>
	Nizzy Mathew <i>Chairperson</i>
Non-Executive Director	John V George <i>Additional Director</i>
	Jose Paul Maliakal <i>Independent Director</i>
	Rajagopal M.S <i>Independent Director</i>

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 and KMP (During 2020-2021)

Name of Director & Designation	Date of Change	Reason
Rajagopal M. S. Designation: Independent Director DIN: 08114376	October 1, 2020	Appointed as an Independent Director
Rudran Puthukulangara Designation: Additional Director DIN: 00546638	September 26, 2020	Resignation
Thomas Cherian Designation: Independent Director DIN: 00492598	September 30, 2020	Cessation as an Independent Director
John V George Designation: Additional Director DIN: 09121961	March 22, 2021	Appointment as an Additional Director
P E Mathai Designation: Chief Executive Officer	January 1, 2021	Appointed as Chief Executive Officer

Meetings of Directors:

During FY 2020-21 the Board met on Eighteen times to discuss and decide on various business and policy matters of the Company. Board meeting dates and the attendance of members in meeting were as under.

Date of Board meeting	Board Strength	Directors Present
20.04.2020	6	3
14.05.2020	6	3
05.06.2020	6	3
02.07.2020	6	3
20.07.2020	6	6
10.09.2020	6	3
25.09.2020	6	5
29.09.2020	5	5
30.09.2020	5	3
09.10.2020	4	4
13.11.2020	4	4
24.11.2020	4	4
21.12.2020	4	4

06.01.2021	4	4
15.02.2021	4	4
22.03.2021	4	4
25.03.2021	5	5
31.03.2021	5	4

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 last reconstituted by the Board on October 09, 2020.

The Committee currently comprises 3 Directors.

Name of the Director	Designation in Committee	Nature of Directorship
Jose Paul Maliakal	Chairman	Non- Executive & Independent Director
Rajagopal M.S	Member	Non- Executive & Independent Director
Mathew Muthoottu	Member	Managing Director

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

1. Review of the financial statements (including interim financial statements) and oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is transparent, accurate, correct, sufficient and credible, prior to their submission to the Board for approval;
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of remuneration and terms of appointment;
3. Review of the robustness and effectiveness of the internal control systems in place in the Company;
4. review and monitor the auditor's independence and performance, and effectiveness of audit process;
5. examination of the financial statement and the auditors' report thereon;
6. approval or any subsequent modification of transactions of the company with related parties;
7. scrutiny of inter-corporate loans and investments;
8. valuation of undertakings or assets of the company, wherever it is necessary;
9. evaluation of internal financial controls and risk management systems;
10. monitoring the end use of funds raised through public offers and related matters.
11. may make omnibus approval for related party transactions proposed to be entered into by the company subject to conditions prescribed under the act.
12. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
13. 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.
14. Reviewing, with the management, the quarterly financial statements before submission to our Board for approval;
15. 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;
16. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
17. 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;
18. Reviewing management letters / letters of internal control weaknesses issued by the statutory auditors;
19. Discussion with internal auditors on any significant findings and follow up there on;
20. 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;
21. 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;
22. 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;
23. To review the functioning of the Whistle Blower mechanism, as adopted by the Company;
24. 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

25. 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.
26. Must also ensure that an Information System Audit of the internal systems and processes is conducted at least once in two years to assess operational risks faced by the applicable NBFCs.

The powers of the Audit Committee shall include the power:

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

Audit Committee shall mandatorily review the following information:

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

2. Nomination and Remuneration Committee

The Nomination and Remuneration Committee was formed pursuant to Section 178 of the Companies Act, vide board resolution dated April 10, 2014, and was last reconstituted on March 22, 2021.

The committee consists of the following members:

Name of the Director	Designation in Committee	Nature of Directorship
Rajagopal M.S	Member	Non- Executive & Independent Director
Jose Paul Maliakal	Member	Non- Executive & Independent Director
John V George	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.
 - d. to ensure 'fit and proper' status of proposed/ existing directors

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 October 9, 2020, currently consists the following members:

Name of the Director	Designation in Committee	Nature of Directorship
Rajagopal M.S	Member	Non- Executive & Independent Director
Nizzy Mathew	Member	Chairman & Whole-time Director
Mathew Muthoottu	Member	Managing Director

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

1. consider and resolve the grievances of security holders of the company.
2. Efficient transfer of shares including review of cases for refusal of transfer / transmission of shares and debentures;
3. 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.;
4. 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;
5. Allotment and listing of shares/Debentures;
6. Review of cases for refusal of transfer / transmission of shares and debentures;
7. Reference to statutory and regulatory authorities regarding investor grievances;
8. Ensure proper and timely attendance and redressal of investor queries and grievances; and
9. 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 October 9, 2020 as per the provisions of Companies Act, 2013 with following members:

Name of the Director	Designation in Committee	Nature of Directorship
Nizzy Mathew	Member	Whole-time Director
Mathew Muthoottu	Member	Managing Director
Rajagopal M.S	Member	Non- Executive & 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. Approved to undertake CSR activities in collaboration with our group companies / other companies / firms / NGO's 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 October 9, 2020. The Committee currently comprises of three Directors.

Name of the Director	Designation in Committee	Nature of Directorship
Nizzy Mathew	Member	Whole-time Director
Mathew Muthoottu	Member	Managing Director
Rajagopal M. S.	Member	Non Executive & Independent Director

Terms of reference of the Debenture Committee include the following:

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

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 October 9, 2020 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	Whole-time Director
Mathew Muthoottu	Member	Managing Director
Rajagopal M. S.	Member	Non Executive & 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 31, 2021.

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. Mrs Nizzy Mathew | - Wholetime Director |
| 3. Mr. P E Mathai | - Chief Executive Officer |
| 4. Mrs. Ann Mary George | - Chief Financial Officer. |

2. Asset Liability Management Committee

The Asset Liability Management Committee was constituted by a board resolution dated April 22, 2012 was reconstituted on March 27, 2017 and thereafter on July 20, 2020. The Asset Liability Management Committee comprises of:

- | Name of the Member | Designation |
|-------------------------|----------------------------------|
| 1. Mrs. Nizzy Mathew | - Chairman & Whole time Director |
| 2. Mr. Mathew Muthoottu | - Managing Director |
| 3. Mr. P E Mathai | - Chief Executive Officer |
| 4. Mrs. Ann Mary George | - Chief Financial Officer |
| 4. Mr. Krishnan Y | - Deputy CFO |

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

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

IT Strategy Committee

IT strategy committee was constituted by the Board of Directors in their meeting held on 28th September 2017. The

Committee was last reconstituted on March 31, 2021 with the following members:-

Name of the Member	Designation
1. Mr. M S Rajagopal	- Independent Director- Chairperson of the Committee
2. Mr. Vinodhkumar.C	- Chief Technology Officer(CTO) Member
3. Mr. Mathew Muthoottu	- Managing Director Member

Role of Committee

- Approving IT strategy and policy documents and ensuring that the management has put an effective strategic planning process in place;
- Ascertaining that management has implemented processes and practices that ensure that the IT delivers value to the business;
- Ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable;
- Monitoring the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources;
- Ensuring proper balance of IT investments for sustaining NBFC's growth and becoming aware about exposure towards IT risks and controls.
- Review and amend the IT strategies in line with the corporate strategies
- Institute an effective governance mechanism and risk management process for all IT outsourced operations.

Steering Committee:

The Steering Committee (IT) was constituted by the Board of Directors in their meeting held on 28th September 2017. The Committee was last reconstituted on March 31, 2021 with the following members:-

1. Mr. Mathew Muthoottu	- Managing Director
2. Mr. Vinodh Kumar	- CTO
3. Mr P E Mathai	- Chief Executive Officer

Role of the Committee

- Provide strategic leadership for IT through the alignment of IT strategic objectives and activities with enterprise strategic objectives and processes.
- Provide oversight and monitoring of the progress of the project, including deliverables to be realized at each phase of the

project and milestones to be reached according to the project timetable

- Prioritize IT investment initiatives and deliver final approvals and recommendations on proceeding with proposed IT projects.
- Ensure open communication between the IT department and the other departments/branches of MMFL to promote collaborative planning
- Focusing on priority setting, resource allocation and project tracking

Significant and Material Orders Passed by the Regulators or Courts

During the year under review, there were no significant and material Orders passed by any Regulators or Courts or Tribunals against the Company impacting its going-concern status and operations in future.

Frauds reported to the Audit Committee by Auditors

There was no reporting of frauds by Auditors under Rule 13 of the Companies (Audit and Auditors) Rules 2014.

Details in respect of frauds reported by auditors under sub-section (12) of section 143 other than which are reportable to the central government - Nil

Directors' Responsibility Statement

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

- That in preparation of the annual financial statements for the year ended March 31, 2021 the applicable Indian Accounting Standards have been followed along with proper explanation relating to material departures, if any
- That appropriate accounting policies have been selected and applied consistently and judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended March 31, 2021.
- That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- That the annual accounts have been prepared on a going concern basis

- 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 134 (3)(p) of the Companies Act, 2013, the Board 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.

A Separate meeting of Independent Directors was conducted during the FY 2020-21, to review:

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

Whistle Blower policy

The Company as part of the 'vigil mechanism' has in place a 'Whistle Blower Policy' to deal with instances of fraud and mismanagement, if any. This vigil mechanism of the Company is overseen by the Audit Committee and provides adequate safeguard against victimization of employees and directors who avail of the vigil mechanism and also provide direct access to the Chairperson of the Audit Committee in exceptional circumstances.

HR Policy against Sexual Harassment

The Company has in place an Anti-Sexual Harassment

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

The following is a summary of sexual harassment complaints received and disposed off during the year 2020-21
 Complaint Status:

Complaint Status:

Opening	Received during the year	Disposed during the year	Pending cases
Nil	1	1	0

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:

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

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

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

Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies

Act, 2013, the Board of Directors at its meeting held on 31-03-2021 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 2020-21.

The Secretarial Audit Report in form MR-3, submitted by the Secretarial Auditors for the FY 2020-21 is enclosed to this report as Annexure 3. The Directors of your Company confirms that there are no qualifications, reservations or adverse remarks or disclaimers in Secretarial Audit Report for the period under review.

Significant and Material Orders Passed by the Regulators or Courts

During the year under review, there were no significant and material Orders passed by any Regulators or Courts or Tribunals against the Company impacting its going-concern status and operations in future.

Frauds reported to the Audit Committee by Auditors

There was no reporting of frauds by Auditors under Rule 13 of the Companies (Audit and Auditors) Rules 2014

Fines paid during FY 2020-21:

BSE has levied a fine of ₹2,360 (inclusive of applicable GST) on our Company for a delay of two (2) days in furnishing the quarterly report on investor grievances for the quarter ended December 31, 2020, which in accordance with Regulation 13(3) of the SEBI Listing Regulations was required to be filed within a period of twenty one (21) days from the end of the relevant quarter, i.e., by January 21, 2021.

Our Company, submitted to BSE that our Company had filed the relevant report on investor grievances on January 23, 2021 and that the delay of a period of two (2) days was on account of a technical reason, as our Company did not receive the quarterly report from the Registrar within the stipulated time period. The Company paid the levied fine of ₹2,360 (inclusive of applicable GST) and has completed the rectification of the requisite compliance by submission of the relevant information to BSE.

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.

During FY 2020-21, 3 frauds amounting to Rs.31.96 lakhs were reported to Reserve Bank of India. Out of the said amounts, 8.85 lakhs was fully provided, Rs.20.59 lakhs was recovered and Rs. 2.52 lakhs written off.

There were 32 fraudulent cases under Rs.1 lakhs

reported during the FY 2019-20. Total amount involved was Rs. 5,45,861 lakhs and the entire amount has been recovered

Details of the frauds are reported in note no. 7 (A &B) under Disclosures as per RBI guidelines in the financial statements

Auctions Held During the Year 2020-21

9138 Gold loan accounts were auctioned during the FY 2020-21. An amount of Rs. 4737.35 lakhs was received by the Company on account of the Auction. Details of Auction are reported in Note number 5 under Disclosures as per RBI guidelines in the financial statements

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, 2021,

the Company had 3168 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

Board Diversity and Board Evaluation policy

Pursuant to the provisions of Section 134(3) (e), of the Companies Act 2013 the Company has a policy in place on appointment and remuneration including interalia criteria for determining qualifications, positive attributes, independence of a director and other matters provided under Section 178(3) of the Companies Act 2013

Customer Grievance

The Company has a dedicated Customer Grievance Cell for receiving and handling customer complaints and ensuring that the customers are always treated fairly and without bias. All issues raised by customers are dealt with courtesy and resolved expeditiously.

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.

MANAGEMENT DISCUSSION AND ANALYSIS

REPORT OVERVIEW OF INDIAN ECONOMY

The COVID-19 pandemic and the resultant lockdown has seen significant impact on the economy and in people's livelihood. Economic activities, despite unlocking beginning June 2020, have not returned to normal due to the continued imposition of partial/ local/ regional lockdowns

India seemed to have gotten COVID-19 cases under control, with the number of cases declining post September 2020. However, since the end of February 2021, India has been witnessing a surge in COVID-19 cases, leading to state governments taking steps to control the spread including imposing curfews and lockdowns, resulting in loss of economic output. Although most of the real sector indicators are still in the contraction mode and different parts of the country have yet to witness full normalcy in terms of economic activity, the indicators are gradually recovering.

Gold Loan Market in India

Gold enjoys a unique connection with Indians in terms of social status, financial security and rich cultural legacy. Along with the country's growing population and ever increasing disposable income, India's inclination and liking for gold has also increased. 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'.

Gradually, the market entered a period of rapid growth. The key factors that drove the rapid growth phase included low cost of funds (eligibility under Priority Sector Lending), rise of India's middle class, consumerism and urbanization, rising gold prices., and high Convenience of access, quick disbursements and lower interest rates in the organized lending market.

In order to stabilize the proliferation and books of gold loan NBFCs, Reserve Bank of India (RBI) has mandated certain guidelines, leading to accountability of players in the organized market, including NBFC's

The COVID-19 pandemic and the subsequent nationwide lockdown resulted in a significant amount of job losses, leaving people to burn out their savings for a living. People heavily relied on borrowings through banks and other sources to fulfil their financing needs amidst the pandemic. Consumers used their gold holdings as collateral to obtain their financing needs rather than outright selling. These higher borrowings lifted demand for gold loans during the pandemic both through NBFCs and banks.

Borrowers have benefited from higher loan value for the same collateral while lenders have benefited from lower LTV ratios on their existing loans and higher demand. Demand during the pandemic has pushed gold loan Asset Under Management (AUM) higher by 20-30% for most of India's leading gold loan NBFCs and banks

KEY GROWTH DRIVERS FOR GOLD LOAN

As banks and NBFCs offer gold loans at interest rates much lower than those of informal moneylenders; they have been able to successfully target a new segment of customers who would have otherwise not taken a gold loan.

The key growth drivers for gold loan are provided below:

- **Lack of Reach of Banking to Rural and Lower-Income Groups:** - In India, the reach of NBFCs in rural areas is comparatively higher than the banks. Due to which NBFCs have an advantage in terms of business revenue and larger base of customer over the banks. The traditional banking products are not accessible to rural and lower-income groups as those products are to relatively higher-income groups. Gold loans offer a viable solution in this situation since, gold loans are fully securitized, lenders have the option to recoup the full principle amount (in most cases) if the borrower defaults - hence, there is no need for extensive checks on borrower's previous repayment records. The relative ease in obtaining a loan approval has boosted the popularity of gold loans.
- **Expected Revival in Rural Consumption:** - Major portion of the Indian household gold belongs to rural communities, who are the biggest purchasers of gold loan. Additionally, the expected rise in consumerism in rural areas will lead to increased gold loans being taken for non-income generating purposes.

- **Changing Attitudes Towards Gold Loan:** - Few decades back, the gold loan was a high-cost affair, interest charged were around 35-50% (local moneylenders) but now organized players in the market (banks and NBFCs) offer the loan at much lower rates. People are turning more towards depositing gold with banks and NBFCs because it is one of the easiest way to avail money. The overall process to avail gold loans has become more formal and transparent with an entry of organized financial players.. Using gold loans to meet household exigencies is gaining popularity in Indian cities and metros.
- **Ease of Availability of Gold Loan:** - NBFCs offer very competitive gold loan schemes with a wide range of tenures, interest slabs and repayment options making it very attractive for the customer. Unlike the rigid products offered by traditional banks, gold loan products are designed in a way that specifically meets the situation of the target customer segments. Disbursements are made within a quick time period after loan approval with a turnaround time (TAT) of around 10-20 minutes. The ability to choose product features (repayment scheme, tenure) has facilitated increased gold loan penetration.
- **Untapped opportunities in the non-south regions:** - Mostly the gold loan companies have their maximum presence in the southern pockets of India. Western, northern and eastern region have minimal gold loan credit penetration, which reflects that gold loan companies can unlock this potential in the coming years
- **Lower default rates:** -There is very low NPA in gold loans. Default rates typically are between 1-2% which is much lower than other traditional financial products offered by financial institutions. This makes gold loan attractive product for organised players.
- **Development of online gold loan market:** - Many traditional players have started to offer innovative products such as online gold loans (OGL) catering to the young and urban population. Primary beneficiaries of online gold loan facilities are digitally and financially literate customers who belong to the age group of 25 to 40 years. The increasing adoption of smartphones and expanding internet connectivity in rural and semi urban area will enable NBFCs in the coming years to get most of their customers to transact in the online gold loan platform.

PERFORMANCE IN GOLD LOAN, MICROFINANCE AND AFFINITY PRODUCTS OF MMFL

Covid -19 Measures

The impact of the COVID-19 pandemic initially on our business depended on a range of factors, the impact of the pandemic on economic activity in India, and the nature and severity of measures adopted by governments. With the COVID-19 pandemic affecting the rural and urban areas alike, local lockdowns had impacted the operations in these regions largely in terms of cash collection and sanctioning of new gold loans, as customers walk-ins moderated in the first quarter of FY 2020-21 However, the second quarter of FY 2020-21 was comparatively better where the gold loan performed better due to increased demand as banks moderated on lending.

The Company granted moratorium on payment of all instalments falling due between March 1, 2020 and August 31, 2020 (the “Moratorium Period”) in respect of gold loans which impacted the cash flows for a brief period. However, with the moratorium ending on August 31, 2020 the impact has been minimal and the operations continued uninterrupted. The Company has taken proactive measures to ensure the safety of the Customers who walk in as well as staff.

Your Company is continuously reviewing the evolving situation in the light of COVID-19 and playing a responsible role in minimizing the adverse impact of the pandemic on its businesses and the stakeholders’ interests. Adapting to the ‘new normal’ of conducting business, your Company realigned the work priorities by placing highest importance on risk controls and collections.

Your company also took immediate steps to manage this force majeure situation, some of which have been:

- Keeping employee safety as the topmost priority, and facilitating ‘Work-from-Home’ (WFH) as and when required.
- All employees were advised to strictly follow lockdown guidelines of the Government, activating the Company’s business continuity plans.
- Ensured smooth running of critical functions by spreading out staff to work from different locations with specified protocol and productivity tracking mechanism.
- The Management is constantly assessing and providing directions to mitigate all kind of risks.

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, Gujarat, Delhi and Goa and the union territory of Puducherry.

Our Gold Loan portfolio as on March 31, 2021, comprises of 3,86,110, Gold Loan accounts aggregating to ₹1,93,510.34 lakhs, which is 97.04%, of our total loans and advances as on such specific dates. We, as on March 31, 2021, had a network of 807 branches spread in the states of Kerala, Tamil Nadu, Karnataka, Andhra Pradesh, Telangana, Haryana, Maharashtra, Gujarat, Delhi and Goa and the union territory of Puducherry and we employ 3147 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 Fiscal 2017 and we provide loan amounts typically within the range of Rs.10,000 to 80,000 per loan transaction and which remain outstanding approximately for an average tenor of 365 days to 730 days.

We offer micro finance loans which are targeted to economically active, married women, having regular cash flow from certain income generating activities, including but not limited to, self-managed business, vegetable vendors and tailoring business.

As on March 31, 2021 we had 20,048 micro finance loan accounts aggregating Rs.5149.33 lakhs.

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, 2022. 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. As on March 31, 2021, we have opened 37,965 securities DP accounts.

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.

Consignee services for sale of bullion and jewellery – Our Company has entered into an agreement dated February 23, 2021 with Muthoottu Royal Gold (“MRG”), a proprietorship concern, to act as a consignee for exclusive sale of gold and silver coins and selected jewellery items supplied by or through MRG. Further, our branches will also collect the money from the customers on such sale or against advance payment scheme of MRG. The agreement comes into effect from February 1, 2021 and will be valid for a period of 5 years.

RISKS & CONCERNS

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

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

Financial Risk is defined as the risks arising from any disruption in the funding sources which have a material adverse effect on our liquidity and financial condition. The Company is proactively pursuing a system of identifying and accessing newer and cheaper sources of funds, to finance the AUM and to grow the business. There is a regular meeting of our asset liability management committee which reviews the liquidity position of the Company and arranges for sufficient funding in advance, for growth

Risk based Internal Audit (RBIA): The Company has in place a risk based internal Audit covering gold loan and other segments. The Company has a Board approved Internal Audit

Policy which is reviewed periodically .

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, 2021, we had 807 branches in the states of Kerala, Karnataka, Tamil Nadu, Andhra Pradesh, Telangana, Haryana, Maharashtra, Gujarat, Delhi and Goa and the union territory of Puducherry.

State	As on March 31, 2021
Andhra Pradesh	72
Delhi	7
Goa	6
Gujarat	5
Haryana	3
Karnataka	110
Kerala	180
Maharashtra	2
Tamil Nadu	342
Puducherry (Union Territory)	1
Telangana	79
Total	807

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
Date: 25/08/2021

Nizzy Mathew
Chairman & Whole Time Director
DIN:01680739

ANNEXURE-1

CSR Reporting for Financial Year 2020-21

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. Rajagopal M S - Independent Director

Average net profit of the company for last three (3) financial years of the Company: 2860.39 lakhs

1. Prescribed CSR Expenditure (two percent (2%) of the average net profits: 57.21 lakhs

Details of CSR spent for the financial year: As detailed in table hereunder

Carry forward CSR amount to be spent in the financial year 2020-21 : Rs.3,55,890/-

CSE expenditure to be spent@2% of average net profits for FY 2020-21 : Rs.57,20,773/-

Total amount be to be spent during FY 2020-21 : Rs. 60,76,663/-

Amount spent during the year : Rs. 32,16,847/-

Balance remaining to be spent* : Rs. 28,59,816/--

* Projects identified and amount kept separately

SI 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.	Mask Distribution	Healthcare	Kerala Tamilnadu	51,35,416/- *	29,75,600/-	29,75,600/-	Direct
2.	Gardening and Maintenance of metro pillar median	Environmental sustainability & and maintaining quality of soil, air	Kerala	88,747/-	88,747/-	88,747/-	Direct
3.	Raincoat distribution	Healthcare	Kerala	77,500/-	77,500/-	77,500/-	Direct
4.	Computers and study material distribution	Education	Karnataka	75,000/-	75,000/-	75,000/-	Direct
5.	Covid – prevention and control and monitoring	Healthcare	Kerala	7,00,000/-#	-	--	Direct
	TOTAL			60,07,663	32,16,847	32,16,847	

*/# Unspent amount carried forward.

Annexure- II

FORM NO. AOC -2

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

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

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

2. Details of contracts or arrangements or transactions at Arm's length basis:

Sl No	Name (s) of the Related Party	Nature of Arrangements & Nature of Relationship	Duration of the Arrangements	Transaction value (Rs. in Lakhs)
1	Mathew Muthoottu	Rent paid	One to three year	3,45,000
		Salary received	Three Year	1,32,00,000
		Advance for property*	-	11,50,00,000
		Debenture/subdebt Interest	-	1,81,291
		NCD Redemption	-	6,00,000
2	Nizzy Mathew	Rent paid	Three year	1,10,004
		Salary received	Three years	1,08,00,000
		Debenture/subdebt Interest	-	2,77,053
		NCD Redemption	-	3,50,000
3	Roy M Mathew	Rent paid	One to three year	3,24,960
		Debenture/subdebt Interest	-	7417.01
		Loan Against Property*	Ten years	11,50,00,000
4	Mini Muthoottu Nidhi Kerala Ltd	Rent paid	One to three year	300,000
		Rent Received	One to three year	16,20,000
5	Mini Muthoottu Nirman & Real Estate Pvt Ltd	Rent paid	Three year	2,40,000
6	Muthoottu Mini Hotels Pvt Ltd	Rent paid	Three year	2,34,996
		Loan Against Property	Ten years	6,75,00,000
		Corporate Guarantee	-	-
7	Kozhencherry MM Financial Services Pvt Ltd	Diary Printing/ Calendar Printing	-	10,72,462
		Annual report Printing	-	1,25,000
8	MILANCHE	Masks		29,72,850
		Rent		90,000
9	Ann Mary George	Salary	-	28,61,904
10	Smitha K S	Salary	-	19,51,904
11	Pothanattu Ethappiri Mathai	Salary	-	15,00,000
12	John V George	Sitting Fee	-	20,000
13	Thomas Cherian	Sitting Fee	-	2,20,000
14	M S Rajagopal	Sitting Fee	-	3,20,000
15	Maliakal Jose Paul	Sitting Fee	-	2,75,000
16	Rudran Puthukulangara	Sitting Fee	-	20,000
17	Muthoottu Mini Theatres Private Limited	Corporate Guarantee	-	N.A
18	Mini Muthoottu Credit India Private Limited	Corporate Guarantee	-	N.A
19	Kandamath Cine Enterprises Private Limited	Corporate Guarantee	-	N.A

* Repaid as on 31/03/2021

ANNEXURE-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 20

[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, 2021 ('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, 2021, 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. (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/forms with various Statutory authorities. As informed and declaration given by the Company, no statutory body/ authorities imposed any fine or penalty on the Company under the various provisions of the applicable regulations except fine imposed by BSE for delay of two (2) days in furnishing the quarterly report on investor grievances for the quarter ended December 31, 2020, which in accordance with Regulation 13(3) of the SEBI Listing Regulations was required to be filed within a period of twenty one (21) days from the end of the relevant quarter, i.e., by January 21, 2021.

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

For Satheesh and Remesh,
Company Secretaries

N.Satheesh Kumar N
CP No. 6607
UDIN:A016453C000732962
Date. 04/08/2021

Note: This report is to be read with our letter of even date which is annexed as

Annexure A

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

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

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

of financial records and Books of Accounts of the Company.

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

For Satheesh and Remesh, Company Secretaries

Satheesh Kumar N
CP No. 6607
UDIN:A016453C000732962
Date. 04/08/2021

ANNEXURE-4

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

as on financial year ended on 31.03.2020

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 VIKHROLI (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	97.04%

III. 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 % Change in year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individuals/HUF	1,91,34,353	0	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	46,00,346	12,17,835	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)	237,34,699	12,17,835	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 Share holding of Promoter (A)= (A)(1)+(A)(2)	237,34,699	12,17,835	2,49,52,534	99.99	237,34,699	12,17,835	2,49,52,534	99.99	0
B. PUBLIC SHAREHOLDING									
(1) Institutions	NIL								
a) Mutual Funds									
b) Banks/FI									
c) Central Govt.									
d) State Govt.									
e) Venture Capital Fund									
f) Insurance Companies									
g) FIIS									
h) Foreign Venture Capital Funds									
i) Others (specify)									
SUB TOTAL (B)(1):	NIL								
(2) Non Institutions									
a) Bodies corporates									
i) Indian									
iii)Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	5	0	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):	5	0	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)	237,34,704	12,17,835	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 beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No of shares	% of total shares of the company	% of shares pledged/encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged/encumbered to total shares	
1	Mathew Muthoottu	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	9,99,995	4.01	Nil	9,99,995	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 2020-21.			
	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
	For Each of the Top 10 Shareholders				
	At the beginning of the year	NOT APPLICABLE. 99.99 % Shares held by promoters/promoter group			
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus / sweat equity etc)				
	At the end of the year (or on the date of separation, if separated during the year)				

VIII. SHAREHOLDING OF DIRECTORS & KMP

Sl. No	Name of the Directors & KMP	Shareholding at the Beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
1.	Mathew Muthoottu-Managing Director	14779912	59.23	14779912	59.23
2.	Nizzy Mathew-Whole time Director	3354446	13.44	3354446	13.44
3.	John Vadakaeparambil George	0.00	0.00	0.00	0.00
4.	Rajagopal Saseendran Mangalathu	0.00	0.00	0.00	0.00
5.	Paul Jose Maliakal	0.00	0.00	0.00	0.00
6.	K S Smitha- Company Secretary	0.00	0.00	0.00	0.00
7.	Pothanattu Ethappiri Mathai	0.00	0.00	0.00	0.00
8.	Ann Mary George -CFO	0.00	0.00	0.00	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					
i) Principal Amount	87648.10	39900.09	NIL	127548.19	
ii) Interest due but not paid	-	-		0.00	
iii) Interest accrued but not due	5080.68	20189.86		25270.54	
Total (i+ii+iii)	92728.78	60089.95		152818.73	
Change in Indebtedness during the financial year					
Additions	90026.69	10632.61		100659.29	
Reduction	28679.05	25000.51		53679.55	
Net Change	61347.64	-14367.90		46979.74	
Indebtedness at the end of the financial year					
i) Principal Amount	145129.56	32830.03		177959.59	
ii) Interest due but not paid	-	-	-		
iii) Interest accrued but not due	8946.86	12892.02	21838.88		
Total (i+ii+iii)	154076.42	45722.05	199798.47		

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
		Nizzy Mathew	Mathew Muthoottu	
1	Gross salary			
	(a) Salary as per provisions of Sn 17(1) of the Income Tax, 1961.	Rs.1,08,00,000	Rs.1,32,00,000	Rs. 2,40,00,000
	(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.1,08,00,000	Rs.1,32,00,000	Rs. 2,40,00,000

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
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B. REMUNERATION TO OTHER DIRECTORS:

Particulars of Remuneration	Name of the Directors				
	Thomas Cherian	John V George	Rajagopal M S	M J Paul	P Rudran
Independent/Non-Executive Directors					
(a) Fee for attending Board / committee meetings Rs.)	2,20,000	20,000	3,20,000	2,75,000	20,000
(b) Commission	-	-	-	-	-
(c) Others, please specify	-	-	-	-	-
Total	2,20,000	20,000	3,20,000	2,75,000	20,000

C. Remuneration to KMP other than Directors

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CS	CFO	CEO	Total
	Gross Salary				
1	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	Rs. 19,40,000	Rs. 28,50,000	Rs.15,00,000	Rs. 62,90,000
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	11,904.00	11,904.00	--	23808
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	--	--	--	--
2	Stock Option	--	--	--	--
3	Sweat Equity	--	--	--	--
4	Commission as % of profit	--	--	--	--
5	Others, please specify	--	--	--	--
	TOTAL	Rs. 19,51,904	Rs.28,61,904	Rs.15,00,000	Rs.63,13,808

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	Nizzy Mathew	P E Mathai
2	Designation of the employee	Managing Director	Whole time Director	Chief Executive Officer*
3	Nature of employment, whether contractual or otherwise	Employment contractual	Employment contractual	Employment contractual
4	Qualification and experience of the employee	Bachelor's degree in Commerce, 8 years in NBFC & Financial Institutions.	Bachelor's degree in English literature, 25 years' experience in NBFC & Financial Institution	Bachelor's degree in Science, 40 years in NBFC & Financial Institution
5	Date of commencement of employment	07/03/2008	18/03/1998	04/02/2019
6.	The age of such employee:	32	68	71
7	The last employment held by such employee before joining the company	NA	NA	NA
8	The percentage of equity shares held by the employee in the company	59.23%	13.44%	Nil
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)	Mathew Muthoottu (Son)	Nil

* Appointed CEO with effect from 01/01/2021

Independent Auditor's 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 March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the 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 Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted as at March 31, 2021, and its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. 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 (ICAI) 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 made thereunder, 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 on the Financial Statements.

Emphasis of Matter

We draw attention to the declaration by the World Health Organisation on 11 March 2020, of the Novel Corona Virus (COVID 19) outbreak as a pandemic. The impact of and uncertainty related to the COVID-19 pandemic has been identified as a key element for recognition and measurement of impairment on loans and advances, on account of this impact on the company's customers and their ability to repay the dues. The management has taken a thorough analysis of the possible impact of the pandemic and has concluded that the COVID-19 pandemic may have an impact on the Company's financial performance depending on future developments, which are highly uncertain as of now. Our audit opinion on the Financial Statements is not modified in respect of the above matters.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, 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 the matters described below as the Key Audit Matters to be communicated in our report.

Key Audit Matters	Audit procedures adopted
<p>Impairment Loss Allowance</p> <p>Management's judgments in the calculation of impairment allowances having a significant impact on the financial statements, is included in the significant accounting policies as stated in "Note No. III- B to the Financial Statements". The estimates regarding impairment allowances are complex and require a significant degree of judgement, which increased with implementation of Expected Credit Loss ("ECL") approach as required by Ind AS 109 relating to "Financial instruments."</p>	<ul style="list-style-type: none"> We obtained an understanding of management's assessment of impairment of loans and advances including the Ind AS 109 implementation process, internal rating model, impairment allowance policy and ECL modelling methodology. We assessed the design and implementation, and tested the operating effectiveness of controls over the modelling process including governance over monitoring of the model and approval of key assumptions.

<p>The Management is required to determine the ECL that may occur over either a 12-month period or the remaining life of an asset, depending on the categorisation of the individual asset. The key areas of judgments include:</p> <ol style="list-style-type: none"> 1. Categorisation of loans in Stage 1, 2 and 3 based on identification of: <ol style="list-style-type: none"> a) exposures with significant increase in credit risk since their origination and b) Individually impaired / default exposures. 2. Techniques used to determine Loss Given Default ('LGD') and Probability of Default ('PD') to calculate an ECL based on past experience. 3. The impact of different future macroeconomic conditions in the determination of ECL. <p>Management has made a number of interpretations and assumptions when designing and implementing models that are compliant with the standard. The Board of Directors has opted for provision as per ECL computation as it is higher than provision as per IRAC norms. The accuracy of data flows and the implementation of related controls are critical for the integrity of the estimated impairment provisions. Given the significance of judgements and the high complexity related particularly to the calculation of ECL, we considered this area as a Key Audit Matter.</p>	<ul style="list-style-type: none"> • We also verified the key judgments and assumptions relating to the macro-economic scenarios including the impact of COVID 19 Pandemic and the associated probability weights. • We also assessed the approach of the Company for categorisation of the loans in various stages reflecting the inherent risk in the respective loans. • For a sample of financial assets, we tested the correctness of staging, reasonableness of PD, accuracy of LGD and ECL computation. • We have also verified the compliance of the circulars issued by the Reserve Bank of India from time to time during the year on this subject.
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Information Other Than Financial Statements and Auditors Report Thereon

The Company’s Board of Directors is responsible for other information. The other information comprises information included in the Company’s Annual Report, but does not include the Financial Statements and our report thereon.

Our Opinion on the Financial Statements does not cover the other information and we do not express any form of assurance.

In connection with our audit on the Financial Statements, our responsibility is to read the other information made available and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Managements Responsibility 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 preparation of these Financial Statements that give a true and fair view of the financial

position, financial performance, changes in equity and cash flows of the Company in accordance with the Indian Accounting Standard (Ind AS) prescribed 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 of the asset 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, relevant to the preparation and presentation of the financial statement 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 management 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 for accounting unless management 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, and assess the impact if any of the COVID-19 pandemic on the financial statements of the Company. As the matter has been thoroughly examined by the management to decide that there is no threat to the going concern status as of now, we have nothing to report on the matter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibilities are to design suitable audit procedures to obtain reasonable assurance about whether the Ind AS 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 when 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 the users taken on the basis of these Financial Statements.

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

- a) 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.
- b) Obtain an understanding of the 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 systems in place and operating effectiveness of such controls. Evaluate the appropriateness of accounting policies used and the reasonableness of the accounting estimates and related disclosures made by management.
- c) Conclude on the appropriateness of the 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 as inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However future events or conditions may cause the company to cease to continue as a going concern.

- d) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statement represents 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 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.

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 Companies Act, 2013, we give in the "Annexure 1" to this report a statement on the matters specified in Paragraph 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, issued by the Reserve Bank of India in exercise of the powers conferred by sub-section (1A) of Section 45MA of the Reserve Bank of India Act, 1934, 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 account 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 subsection 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, the statement of profit and loss (including Other Comprehensive Income), the cash flow statement and the statement of changes in equity dealt with by this report are in agreement with the books of account.
 - e. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
 - f. On the basis of the written representations received from the directors as on March 31, 2021 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021, from being appointed as a director in terms of section 164 (2) of the Act.
 - g. In our opinion there are no qualifications, reservations or adverse remarks relating to the maintenance of accounts and other matters connected therewith.
 - h. With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our Report in "Annexure 3"
- i. With respect to the matters to be included in the Auditor's Report in accordance with the Rule 11 of the Companies (Audit and Auditors) Rule, 2014, in our opinion and to the best of our information and according to explanations given to us:
 - i. The company has disclosed the impact of pending litigations on its financial position in its financial statements.
 - ii. They did not have any long-term contracts including derivative contracts for which there were any foreseeable losses.
 - iii. According to the information provided, an amount of Rs 81,720 being unclaimed matured debentures has been transferred to Investor Education & Protection Fund on 22.04.2021. According to the information provided, there are no other amounts, required to be transferred by the company to the Investor Education & Protection Fund as on 31.03.2021.

For Manikandan & Associates
Chartered Accountants
FRN: 008520 S

Manikandan C K
Managing Partner
Membership No: 208654
UDIN : 21208654AAAAJM5475

Place: Ernakulam
Date: June 25, 2021

ANNEXURE 1

TO THE AUDITOR'S 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, 2021. We report that:

- i.
 - a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) According to the information and explanation provided by the Management, the Company has a regular programme for the verification of its fixed assets. In 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 programme, 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. In our opinion and according to the information and explanations given to us, the company has granted loans to parties covered in the register maintained under Section 189 of the Companies Act, 2013, the terms and conditions of the grant of such loans are not prejudicial to the company's interest, schedule of repayment of principal and interest has been stipulated and repayments are regular, there are no overdues.
- 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 Non- Banking Finance 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, except the amounts disclosed in. Note No. 13 Contingent Liability, forming part of the Financial Statements.
- 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 explanations given to us, money raised by way of further public offer of debt instruments, securitization of gold loan by way of direct assignment and issue of pass through certificates and term loan obtained have been applied by the Company during the year for the purpose for which they have been raised.
- x. According to the information and explanations given to us, there is a fraud in the company by its officers / employees during the year, amounting to Rs 22.16 lakhs, out of which Rs 19.64 lakhs has been recovered and the remaining Rs 2.52 lakhs has been written off. Hence, there is no recovery pending as on 31st March 2021.

- 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. As the Company is not a Nidhi Company, paragraph 3(xii) of the Order is not applicable. .
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 177 and 188 of the Companies Act, 2013 and the details of such transactions have been disclosed in Note No. K in the financial statements of the Company as required by the applicable Ind AS.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- 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.

For Manikandan & Associates
Chartered Accountants
FRN: 008520 S

Manikandan C K
Partner

Place: Ernakulam
Date: June 25, 2021

Membership No: 208654
UDIN : 21208654AAAAJM5475

ANNEXURE 2

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, 2021, the Statement of Profit and Loss (Including Other Comprehensive Income), Cash Flow Statement and the Statement of Changes in Equity 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 45-IA of the RBI Act, 1934.
- ii. The Company is entitled to continue to hold the Certificate of Registration in terms of the Asset/ Income pattern as on March 31, 2021.
- 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, Indian 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 Fi-

ancial 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, 2021.

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.

For Manikandan & Associates
Chartered Accountants
FRN: 008520 S

Manikandan C K
Managing Partner
Membership No: 208654
UDIN : 21208654AAAAJM5475

Place: Ernakulam
Date: June 25, 2021

ANNEXURE 3

TO THE AUDITOR'S REPORT

Annexure 3 to the Independent Auditor's Report of even date on the Financial Statements of Muthoottu Mini Financiers Limited for the year ended 31 March 2021

Report on the Internal Financial Controls with reference to the aforesaid Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") (Referred to in paragraph 3(h) under Report on Other Legal and Regulatory Requirements 'section of our report of even date)

Opinion

We have audited the internal financial controls over financial reporting of Muthoottu Mini Financiers Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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, 2021, 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.

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.

Auditor's responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial

reporting based on our audit. We 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 Control 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 purposes 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.

For Manikandan & Associates
Chartered Accountants
FRN: 008520 S

Manikandan C K
Managing Partner
Membership No: 208654
UDIN : 21208654AAAAJM5475

Place: Ernakulam
Date: :June 25, 2021

MUTHOOTTU MINI FINANCIERS LIMITED

CIN : U65910KL1998PLCO12154

Muthoottu Buildings, Kozhencherry, Pathanamthitta - 689 641

BALANCE SHEET

(Rupees in Lakhs)

	Particulars	Note No.	As at March 31, 2021 (Audited)	As at March 31, 2020 (Audited)
I.	ASSETS			
1.	Financial assets			
	a) Cash and cash equivalents	1.1	23,048.70	4,220.54
	b) Bank Balance other than (a) above	1.2	7,909.27	5,981.13
	c) Receivables			
	(I) Trade receivables			
	(II) Other receivables			
	d) Loans	2	1,97,894.20	1,67,514.53
	e) Investments	3	4.70	3.24
	f) Other financial assets	4	2,149.78	2,253.94
2.	Non-financial Assets			
	a) Inventories			
	b) Current tax assets (Net)		1,820.54	1,795.13
	c) Deferred tax assets (Net)		371.54	1,569.77
	d) Property, Plant and Equipment	5	18,716.91	19,006.51
	e) Other intangible assets	6	51.59	5.25
	f) Other non-financial assets	7	380.82	214.69
	Total Assets		2,52,348.05	2,02,564.73
II.	LIABILITIES AND EQUITY			
	LIABILITIES			
1.	Financial Liabilities			
	a) Debt Securities	8	1,28,066.82	87,619.46
	b) Borrowings (other than debt securities)	9	36,982.46	36,537.95
	c) Subordinated liabilities	10	33,802.18	28,690.84
	d) Other financial liabilities	11	1,676.84	1,280.66
2.	Non-financial Liabilities			
	a) Provisions	12	156.65	142.12
	b) Other non-financial liabilities	13	329.75	133.38
3.	EQUITY			
	a) Equity share capital	14	24,952.54	24,952.54
	b) Other equity	15	26,380.81	23,207.78
	Total Liabilities and Equity		2,52,348.05	2,02,564.73

See accompanying notes to the financial statements

As per our report of even date attached

For Muthoottu Mini Financiers Limited

For Manikandan And Associates
Chartered Accountants (FRN.0085205)

Mathew Muthoottu (DIN: 1786534)

Managing Director

Nizzy Mathew (DIN: 01680739)

Whole-time Director

Manikandan C.K

Partner (M.No.208654)

Ann Mary George, ACA

Chief Financial Officer

K S Smitha, ACS

Company Secretary

P.E.Mathai

Chief Executive Officer

Place : Kochi

Date : 25/06/2021

MUTHOOTTU MINI FINANCIERS LIMITED

CIN : U65910KL1998PLCO12154

Muthoottu Buildings, Kozhencherry, Pathanamthitta - 689 641

STATEMENT OF PROFIT AND LOSS

(Rupees in Lakhs)

Particulars		Note No.	Year ended March 31, 2021 (Audited)	Year ended March 31, 2020 (Audited)
Revenue from operations				
(i)	Interest income	16	36,266.72	30,093.68
(ii)	Dividend income		-	0.12
(iii)	Rental income		106.21	112.91
(iv)	Fees and Commission income		59.52	67.70
(v)	Net gain on derecognition of financial instruments under amortised cost category		31.74	788.68
(vi)	Net gain on fair value changes	17	1.46	-
(vii)	Sales of services	18	356.10	233.58
(I)	Total Revenue from operations		36,821.75	31,296.67
(II)	Other Income	19	3.63	18.60
(III)	Total Income (I + II)		36,825.38	31,315.27
Expenses				
(i)	Finance costs	20	19,219.96	16,548.85
(ii)	Net loss on fair value changes	17	-	5.76
(iii)	Impairment on financial instruments	21	341.10	(65.23)
(iv)	Employee benefits expenses	22	7,161.97	6,705.19
(v)	Depreciation, amortization and impairment	23	587.21	692.58
(vi)	Other expenses	24	4,190.69	4,194.36
(IV)	Total Expenses (IV)		31,500.93	28,081.51
(V)	Profit before tax (III- IV)		5,324.45	3,233.76
(VI)	Tax Expense:			
	(1) Current tax		928.10	551.91
	(2) Earlier years adjustments		-	31.36
	(3) Deferred tax		1,205.21	(703.69)
(VII)	Profit for the year (V- VI)		3,191.14	3,354.18
A)	Other Comprehensive Income			
	(i) Items that will not be reclassified to profit or loss			
	- Remeasurement of defined benefit plans		(25.09)	(17.97)
	- Fair value changes on equity instruments through other comprehensive income		-	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss		6.98	5.99
	Subtotal (A)		(18.11)	(11.98)

MUTHOOTTU MINI FINANCIERS LIMITED

CIN : U65910KL1998PLCO12154

Muthoottu Buildings, Kozhencherry, Pathanamthitta - 689 641

STATEMENT OF PROFIT AND LOSS

(Rupees in Lakhs)

	Particulars	Note No.	Year ended March 31, 2021 (Audited)	Year ended March 31, 2020 (Audited)
B)	(i) Items that will be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
	Subtotal (B)		-	-
(VIII)	Other Comprehensive Income (A + B) (VIII)		(18.11)	(11.98)
(IX)	Total Comprehensive Income for the year (VII+VIII)		3,173.03	3,342.20
	Earnings per equity share			
	(Face value of Rs. 100/- each)			
	Basic (Rs.)	25	12.79	13.44
	Diluted (Rs.)	25	12.79	13.44

See accompanying notes to the financial statements

For Muthoottu Mini Financiers Limited

Mathew Muthoottu (DIN: 1786534)

Managing Director

Ann Mary George, ACA

Chief Financial Officer

Place: Kochi

Date: 25/06/2021

Nizzy Mathew (DIN: 01680739)

Whole-time Director

K S Smitha, ACS

Company Secretary

As per our report of even date attached

For Manikandan And Associates

Chartered Accountants (FRN.008520S)

Manikandan C.K

Partner (M.No.208654)

P.E.Mathai

Chief Executive Officer

MUTHOOTTU MINI FINANCIERS LIMITED

CIN : U65910KL1998PLCO12154

Muthoottu Buildings, Kozhencherry, Pathanamthitta - 689 641

CASH FLOW STATEMENT

(Rupees in Lakhs)

Particulars	For the year Ended March 31, 2021 (Audited)		For the year Ended March 31, 2020 (Audited)	
A. Cash Flow from Operating Activities				
Profit before tax		5,324.45		3,233.76
Adjustments for :				
Impairment on financial instruments	341.10		-65.23	
Net (Gain) / Loss on fair value changes	-1.46		5.76	
Net (Profit) / Loss on Sale of assets	5.92		-0.40	
Finance Costs	19,219.96		16,548.85	
Depreciation, amortization and impairment	587.21		692.58	
Income from Non-Operating Business				
- Rental Income	-106.21		-112.91	
- Dividend Income	-	20,046.52	-0.12	17,068.53
Operating Profit / (Loss) before working capital Adjustments		25,370.97		20,302.29
Adjustments for :				
Loans	-30,723.65		-29,402.47	
Other financial assets	107.04		-54.46	
Other non financial assets	-166.13		-31.11	
Bank Balance other than "Cash and cash equivalents"	-1,928.14		-3,110.78	
Provisions	-10.56		-9.77	
Other financial liabilities	396.18		-2,618.91	
Other non financial liabilities	196.37	-32,128.89	-97.90	-35,325.40
Cash Generated from operations		-6,757.92		-15,023.10
Income Tax paid		-953.51		-845.35
Finance cost paid		-19,762.20		-16,781.37
Net Cash Flow from Operating Activity		-27,473.63		-32,649.82
B. Cash Flow from Investment Activities				
Dividend Income		-		0.12
Rental Income		106.21		112.91
Sale of Fixed Assets		19.47		27.64
Purchase of Fixed Assets		-369.34		-288.52
Net Cash Flow from Investment Activity		-243.66		-147.85
C. Cash Flow from Financing Activity				
Net increase/(Decrease) in Borrowings(other than debt securities)		444.51		1,024.01
Net increase/(Decrease) in Subdebt		5,111.34		2,060.28
Net increase/(Decrease) in Debt Securities		40,989.60		28,461.32

MUTHOOTTU MINI FINANCIERS LIMITED

CIN : U65910KL1998PLCO12154

Muthoottu Buildings, Kozhencherry, Pathanamthitta - 689 641

CASH FLOW STATEMENT

(Rupees in Lakhs)

Particulars	For the year Ended March 31, 2021 (Audited)		For the year Ended March 31, 2020 (Audited)	
Net Cash Flow from Financing Activity		46,545.45		31,545.61
Net Increase/(Decrease)in Cash & Cash Equivalents(A+B+C)		18,828.16		-1,252.06
Opening Balance of Cash & Cash Equivalents		4,220.54		5,472.60
Closing Balance of Cash & Cash Equivalents		23,048.70		4,220.54
Components of Cash and Cash Equivalents				
Current Account with Banks		20,477.90		1,783.83
Deposit with Banks		475.09		1,199.00
Cash in Hand		2,095.71		1,237.71
		23,048.70		4,220.54

See accompanying notes to the financial statements

As per our report of even date attached

For Muthoottu Mini Financiers Limited

For Manikandan And Associates
 Chartered Accountants (FRN.008520S)

Mathew Muthoottu (DIN: 1786534)

Managing Director

Nizzy Mathew (DIN: 01680739)

Whole-time Director

Manikandan C.K

Partner (M.No.208654)

Ann Mary George, ACA

Chief Financial Officer

K S Smitha, ACS

Company Secretary

P.E.Mathai

Chief Executive Officer

Place: Kochi

Date: 25/06/2021

MUTHOOTTU MINI FINANCIERS LIMITED

CIN : U65910KL1998PLCO12154
Muthoottu Buildings, Kozhencherry, Pathanamthitta - 689 641

STATEMENT OF CHANGES IN EQUITY

a. Equity Share Capital

(Rupees in Lakhs)

Particulars	Number	Amount
Equity shares of Rs. 100/- each issued, subscribed and fully paid		
As at March 31, 2019	2,49,52,539	24,952.54
Shares issued during the period	-	-
As at March 31, 2020	2,49,52,539	24,952.54
Shares issued during the period	-	-
As at March 31, 2021	2,49,52,539	24,952.54

b. Other Equity

Particulars	Reserves and Surplus				Retained Earnings	Equity instruments through Other Comprehensive Income	Other Items of Other Comprehensive Income (Remeasurement of defined benefit plans)	Total
	Special Reserve Fund(u/s 45 IC of RBI Act, 1934)	Securities Premium	Debt Redemption Reserve	Revaluation Reserve				
Balance as at March 31, 2019	4,071.63	7,844.15	8,564.08	350.00	-972.71	-	8.43	19,865.58
Transfer from Retained earnings	668.44							668.44
Amount transferred								
Profit for the period					3,354.18		-11.98	3,342.20
Transfer to Special Reserve Fund					-668.44			-668.44
Transfer from/(to) Debt Redemption Reserve			-8,564.08		8,564.08			
Balance as at March 31, 2020	4,740.07	7,844.15	-	350.00	10,277.11	-	-3.55	23,207.78
Transfer from Retained earnings	634.61							634.61
Securities premium on share options exercised during the year								
Amount transferred								
Profit for the period								
Transfer to Special Reserve Fund					3,191.14		-18.11	3,173.03
Transfer from/(to) Debt Redemption Reserve					-634.61			-634.61
Balance as at March 31, 2021	5,374.68	7,844.15	-	350.00	12,833.64	-	-21.66	26,380.81

See accompanying notes to the financial statements

For Muthoottu Mini Financiers Limited

Mathew Muthoottu (DIN: 1786534)

Managing Director

Ann Mary George, ACA

Chief Financial Officer

Place: Kochi

Date: 25/06/2021

Nizzy Mathew (DIN: 01680739)

Whole-time Director

KS Smitha, ACS

Company Secretary

As per our report of even date attached

For Manikandan And Associates

Chartered Accountants (FRN.0085205)

Manikandan C.K

Partner (M.No.208654)

P.E.Mathai

Chief Executive Officer

Notes to financial statements for the Year ended March 31, 2021

Note 1.1: Cash and cash equivalents

(Rupees in Lakhs)

Particulars	As at March 31, 2021 (Audited)	As at March 31, 2020 (Audited)
Cash on hand	2,095.71	1,237.71
Balances with Banks		
- in current accounts*	20,477.90	1,783.83
- in fixed deposit (maturing within a period of three months)	475.09	1,199.00
Total	23,048.70	4,220.54

*The sanctioned amount of Rs. 10,000 Lakhs from Canara Bank towards Term Loan was received on 31st of March 2021 and kept in Current account as on 31st March 2021.

Note 1.2: Bank balance other than cash and cash equivalents

(Rupees in Lakhs)

Particulars	As at March 31, 2021 (Audited)	As at March 31, 2020 (Audited)
Fixed deposits with bank (maturing after period of three months)	7,909.27	5,981.13
Total	7,909.27	5,981.13

Note 1.3 : Additional details of Fixed Deposits

(Rupees in Lakhs)

Particulars	As at March 31, 2021 (Audited)	As at March 31, 2020 (Audited)
Fixed deposits given as security for borrowings	3,697.17	1,274.39
Fixed deposits given as security for guarantees	1,503.11	2,473.56
Fixed deposits held for redemption of debentures	3,184.08	3,257.18
Free held fixed deposits	-	175.00
Total	8,384.36	7,180.13

Note 2: Loans

(Rupees in Lakhs)

Particulars	As at March 31, 2021 (Audited)						
	Amortised Cost	At Fair value				Sub total	Total
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss			
(A)							
i) Loans repayable on demand					-	-	
ii) Term loans	1,99,421.36				-	1,99,421.36	
iii) Leasing					-	-	
iv) Factoring					-	-	
v) Others (To be specified)					-	-	
Total (A) - Gross	1,99,421.36					1,99,421.36	
Less: Impairment loss allowance	1,527.16				-	1,527.16	

Notes to financial statements for the Year ended March 31, 2021

Total (A) - Net	1,97,894.20	-	-	-	-	1,97,894.20
(B)						
I) Secured by tangible assets	1,93,510.34					1,93,510.34
Gold Loan	761.69					761.69
Loan Against Property						
Total (I) - Gross	1,94,272.03	-	-	-	-	1,94,272.03
Less: Impairment loss allowance	1,429.55					1,429.55
Total (I) - Net	1,92,842.48	-	-	-	-	1,92,842.48
II) Covered by Bank / Government Guarantees						
III) Unsecured						
Microfinance	5,149.33					5,149.33
Total (III) - Gross	5,149.33	-	-	-	-	5,149.33
Less: Impairment loss allowance	97.61					97.61
Total (III) - Net	5,051.72	-	-	-	-	5,051.72
Total (B) (I+II+III) - Net						
(C) (I) Loans in India						
i) Public Sector						-
ii) Others	1,99,421.36					1,99,421.36
(C) (II) Loans outside India	-					
Total (C) - Gross	1,99,421.36	-	-	-	-	1,99,421.36
Less: Impairment loss allowance	1,527.16					1,527.16
Total (C)- Net	1,97,894.20	-	-	-	-	1,97,894.20

(Rupees in Lakhs)

Particulars	As at March 31, 2020						
	Amortised Cost	At Fair value				Sub total	Total
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss			
(A)							
i) Loans repayable on demand					-	-	
ii) Term loans	1,69,109.97				-	1,69,109.97	
iii) Leasing					-	-	
iv) Factoring					-	-	
v) Others (To be specified)					-	-	
Total (A) - Gross	1,69,109.97					1,69,109.97	
Less: Impairment loss allowance	1,595.44				-	1,595.44	
Total (A) - Net	1,67,514.53	-	-	-	-	1,67,514.53	

Notes to financial statements for the Year ended March 31, 2021

(B)						
I) Secured by tangible assets						
Gold Loan	1,64,480.28					1,64,480.28
Loan Against Property	91.93					91.93
Total (I) - Gross	1,64,572.21	-	-	-	-	1,64,572.21
Less: Impairment loss allowance	1,522.80					1,522.80
Total (I) - Net	1,63,049.41	-	-	-	-	1,63,049.41
II) Covered by Bank / Government Guarantees						
III) Unsecured Microfinance	4537.76					4,537.76
Total (III) - Gross	4,537.76	-	-	-	-	4,537.76
Less: Impairment loss allowance	72.64					72.64
Total (III) - Net	4,465.12	-	-	-	-	4,465.12
Total (B) (I+II+III) - Net						
(C) (I) Loans in India						
i) Public Sector						-
ii) Others	1,69,109.97					1,69,109.97
(C) (II) Loans outside India	-					
Total (C) - Gross	1,69,109.97	-	-	-	-	1,69,109.97
Less: Impairment loss allowance	1,595.44					1,595.44
Total (C)- Net	1,67,514.53	-	-	-	-	1,67,514.53

2.1 Expected Credit Loss (ECL)

As required by RBI, the Company is obliged to comply with the extant prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP). ECL computed by the Company as per the policy, laid down under significant accounting policies, is lower than the provision as per IRACP norms.

The Notification RBI/2019-20/170 dated 13 March, 2020, states that a comparison to be made between the provisions required under IRACP and impairment allowances made under Ind AS 109 and where the impairment allowance under Ind AS 109 is lower than the provisioning required under IRACP (including standard asset provisioning), the Company shall appropriate the difference from their net profit or loss after tax to a separate 'impairment reserve'.

Since, the ECL provision computed as per the policy laid down under significant accounting policies is higher than the provision as per IRACP norms, the requirement of appropriating the difference from the net profit after tax to a separate 'impairment reserve' doesnot arise.

Notes to financial statements for the Year ended March 31, 2021

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to receivables under financing activities is, as follows:

(Rupees in Lakhs)

Year ended March 31, 2021				
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	1,62,808.87	3,110.96	3,190.14	1,69,109.97
New Assets/increase in Interest accrued	5,80,488.90	2,303.40	-	5,82,792.30
Assets repaid	-5,47,579.67	-2,573.94	-1,915.04	-5,52,068.65
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-22,039.60	22,039.60	-	-
Transfer to Stage 3	-858.32	-	858.32	-
Write off	-	-	-412.26	-412.26
Closing carrying amount	1,72,820.18	24,880.02	1,721.16	1,99,421.36

Reconciliation of ECL Balance

(Rupees in Lakhs)

Year ended March 31, 2021				
ECL	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	651.24	12.44	931.76	1,595.44
New Assets/increase in Interest accrued	3,624.79	13.31	-	3,638.10
Assets repaid	-3,336.91	-14.73	-141.63	-3,493.27
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-127.22	127.22	-	-
Transfer to Stage 3	-4.06	-	116.69	112.63
Write off	-	-	-31.68	-31.68
Impact of revision of ECL rates	278.68	5.18	-651.14	-367.28
Impact of provision for MTM loss	30.83	42.39	-	73.22
Closing carrying amount	1,117.35	185.81	224.00	1,527.16

(Rupees in Lakhs)

Year ended March 31, 2020				
ECL	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	1,28,071.65	8,668.14	2,987.43	1,39,727.22
New Assets	4,51,293.13	-	-	4,51,293.13
Assets repaid	-4,14,462.39	-5,397.78	-2,030.49	-4,21,890.66
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-57.43	57.43	-	-
Transfer to Stage 3	-2,036.09	-216.83	2,252.92	-
Write off	-	-	-19.72	-19.72
Closing carrying amount	1,62,808.87	3,110.96	3,190.14	1,69,109.97

Notes to financial statements for the Year ended March 31, 2021

Reconciliation of ECL Balance

(Rupees in Lakhs)

ECL	Year ended March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	557.44	34.67	1,090.47	1,682.58
New Assets	1,805.17	-	-	1,805.17
Assets repaid	-1,703.00	-21.59	-628.76	-2,353.35
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-0.23	0.23	-	-
Transfer to Stage 3	-8.14	-0.87	489.77	480.76
Write off	-	-	-19.72	-19.72
Closing carrying amount	651.24	12.44	931.76	1,595.44

2.2 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	2020-21	2019-20
Provision for Standard Assets		
Provision at the beginning of the year	663.68	541.94
Additional provision made during the year	639.48	121.74
Provision at the close of the year	1,303.16	663.68
Non-Performing Assets	As at 31st March 2021	As at 31st March 2020
Sub-standard Assets	108.90	245.88
Doubtful Assets (Upto 1year)	33.87	18.00
Doubtful Assets (1 – 3 years)	55.34	110.26
Doubtful Assets (More than 3 years)	24.37	119.18
Loss Assets	1.52	438.44
Total Non-performing Assets	224.00	931.76
Provision for non-performing assets	2020-21	2019-20
Provision at the beginning of the year	931.76	1090.47
Additional provision made during the year	-707.76	-158.71
Provision at the close of the year	224.00	931.76

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

2.3 Credit Quality of assets

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification

As on 31/03/2021

(Rupees in Lakhs)

Internal Rating	Stage 1	Stage 2	Stage 3	Grand Total
High grade	1,72,820.18	-	-	1,72,820.18
Medium grade	-	24,880.02	-	24,880.02
Low grade	-	-	1,721.16	1,721.16
Total	1,72,820.18	24,880.02	1,721.16	1,99,421.36

Notes to financial statements for the Year ended March 31, 2021

As on 31/03/2020

(Rupees in Lakhs)

Internal Rating	Stage 1	Stage 2	Stage 3	Grand Total
High grade	1,62,808.87	-	-	1,62,808.87
Medium grade	-	3,110.96	-	3,110.96
Low grade	-	-	3,190.14	3,190.14
Total	1,62,808.87	3,110.96	3,190.14	1,69,109.97

Note 3: Investments

(Rupees in Lakhs)

Particulars	As at March 31, 2021 (Audited)						
	At Fair value					At cost	Total
	Amortised Cost	Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Sub-total		
i) Mutual funds							
ii) Government securities					-		-
iii) Debt securities							
iv) Equity instruments					-		-
Subsidiaries							
<i>Others</i>			4.70		4.70		4.70
Total Gross (A)	-	-	4.70	-	4.70	-	4.70
i) Investments outside India							
ii) Investments in India	-	-	4.70		4.70		4.70
Total Gross (B)			4.70		4.70		4.70
Less: Allowance for impairment loss (C)							
Total - Net D = (A) - (C)	-	-	4.70	-	4.70	-	4.70

Particulars	As at March 31, 2020 (Audited)						
	At Fair value					At cost	Total
	Amortised Cost	Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Sub-total		
i) Mutual funds							
ii) Government securities					-		-
iii) Debt securities							
iv) Equity instruments					-		-
Subsidiaries							

Notes to financial statements for the Year ended March 31, 2021

<i>Others</i>			3.24		3.24		3.24
Total Gross (A)	-	-	3.24	-	3.24	-	3.24
i) Investments outside India							
ii) Investments in India	-	-	3.24		3.24		3.24
Total Gross (B)	-	-	3.24	-	3.24	-	3.24
Less: Allowance for impairment loss (C)							
Total - Net D = (A) - (C)	-	-	3.24	-	3.24	-	3.24

3.1 Details of investments are as follows :- Equity instruments

(Rupees in Lakhs)

Particulars	As at March 31, 2021 (Audited)		As at March 31, 2020 (Audited)	
	Number	Amount	Number	Amount
Subsidiaries	--	-	-	-
<i>Quoted</i>	-	-	-	-
<i>Unquoted</i>	-	-	-	-
Subtotal	-	-	-	-
Others	-	-	-	-
<i>Quoted</i>	-	-	-	-
Wonderla Holidays Ltd	503	0.97	503	0.70
The South Indian Bank Limited	45,020	3.73	45,020	2.54
<i>Unquoted</i>	-	-	-	-
Subtotal	45,523	4.7	45,523	3.24
Total	45,523	4.70	45,523	3.24

Note 4: Other financial assets

(Rupees in Lakhs)

Particulars	As at March 31, 2021 (Audited)	As at March 31, 2020 (Audited)
Security deposits		
Rent Deposit	1,636.38	1,664.10
Security Deposit with NSE, BSE & CDSL	396.25	383.75
Security Deposit VAT	-	0.25
HDFC STD Life deposit	-	0.25
Insurance deposit	0.61	1.51
Service asset	-	164.45
Other Receivables		
Commission/Incentive Receivable	26.98	19.84
Third Party Products	59.36	3.32
Rent Receivable	30.20	16.47
Total	2149.78	2,253.94

Notes to financial statements for the Year ended March 31, 2021

Note 5: Property, plant and equipment

(Rupees in Lakhs)

	Land	Buildings	Plant and Equipment	Furniture and Fixtures	Computer	Vehicles	Electrical Installations	Total	Capital work-in progress
Gross block- at cost									
As at March 31, 2019	14,599.67	3,352.75	629.12	1,382.08	109.88	100.81	72.90	20,247.21	-
Additions	-	-	55.41	86.75	46.09	100.27	-	288.52	-
Disposals	-	-	-	(5.85)	(3.45)	(17.90)	(0.04)	(27.24)	-
As at March 31, 2020	14,599.67	3,352.75	684.53	1,462.98	152.52	183.18	72.86	20,508.49	-
Additions	-	-	55.31	81.20	177.46	-	8.87	322.84	-
Disposals	-	-	(0.07)	(8.99)	(0.34)	(40.17)	(0.07)	(49.64)	-
As at March 31, 2021	14,599.67	3,352.75	739.77	1,535.19	329.64	143.01	81.66	20,781.69	-
Accumulated depreciation									
As at March 31, 2019	-	198.41	119.00	404.51	41.54	37.87	17.09	818.42	-
Charge for the period	-	184.82	103.47	297.83	50.55	30.78	16.11	683.56	-
As at March 31, 2020	-	383.23	222.47	702.34	92.09	68.65	33.20	1,501.98	-
Charge for the period	-	172.01	92.68	225.46	51.50	33.05	12.35	587.05	-
Disposals	-	-	-	-	-	(24.25)	-	(24.25)	-
As at March 31, 2021	-	555.24	315.15	927.80	143.59	77.45	45.55	2,064.78	-
Net Block									
As at March 31, 2019	14,599.67	3,154.34	510.12	977.57	68.34	62.94	55.81	19,428.79	-
As at March 31, 2020	14,599.67	2,969.52	462.06	760.64	60.43	114.53	39.66	19,006.51	-
As at March 31, 2021	14,599.67	2,797.51	424.62	607.39	186.05	65.56	36.11	18,716.91	-

Notes to financial statements for the Year ended March 31, 2021

Note 6: Other Intangible Assets

(Rupees in Lakhs)

	Computer Software	Intangible assets under development	Total
Gross block- at cost			
As at March 31, 2019	31.58	-	31.58
Additions	-	-	-
Disposals	-	-	-
As at March 31, 2020	31.58	-	31.58
Additions	-	46.50	46.50
Disposals	-	-	-
As at March 31, 2021	31.58	46.50	78.08
Accumulated amortisation			
As at March 31, 2019	17.30	-	17.30
Charge for the period	9.03	-	9.03
As at March 31, 2020	26.33	-	26.33
Charge for the period	0.16	-	0.16
As at March 31, 2021	26.49	-	26.49
Net book value:			
As at March 31, 2019	14.28	-	14.28
As at March 31, 2020	5.25	-	5.25
As at March 31, 2021	5.09	46.50	51.59

Note 7: Other Non-financial assets

(Rupees in Lakhs)

Particulars	As at March 31, 2021 (Audited)	As at March 31, 2020 (Audited)
Balances with government authorities		
- GST Receivable	278.54	151.59
Other Advances/Receivables	102.28	63.10
Total	380.82	214.69

Notes to financial statements for the Year ended March 31, 2021

Note 8: Debt Securities

(Rupees in Lakhs)

Particulars	As at March 31, 2021 (Audited)			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
(i) Secured, Privately Placed NCD	1,803.46			1,803.46
(ii) Secured, Redeemable NCD Public Issue	1,06,100.74			1,06,100.74
(iii) Unsecured, Privately Placed NCD	203.75			203.75
(iv) Unsecured Public Placed NCD	9,308.08			9,308.08
(v) Unclaimed Matured Debentures	108.48			108.48
(vi) Interest accrued on above	11,408.60			11,408.60
(vii) Unamortized expense of public issue	-866.29			-866.29
Total (A)	1,28,066.82			1,28,066.82
Debt securities in India	1,28,066.82			1,28,066.82
Debt securities outside India	-			-
Total (B)	1,28,066.82	-	-	1,28,066.82

(Rupees in Lakhs)

Particulars	As at March 31, 2020 (Audited)			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
(i) Secured, Privately Placed NCD	3,055.87			3,055.87
(ii) Secured, Redeemable NCD Public Issue	48,054.28			48,054.28
(iii) Unsecured, Privately Placed NCD	1,039.75			1,039.75
(iv) Unsecured Public Placed NCD	18,393.27			18,393.27
(v) Unclaimed Matured Debentures	264.08			264.08
(vi) Interest accrued on above	17,136.26			17,136.26
(vii) Unamortized expense of public issue	-324.05			-324.05
(viii) Debenture Application Money				-
Total (A)	87,619.46	-	-	87,619.46
Debt securities in India	87,619.46	-	-	87,619.46
Debt securities outside India	-	-	-	-
Total (B)	87,619.46	-	-	87,619.46

8.1 Secured Redeemable Non-Convertible Debentures – Listed

The outstanding amount of Secured Redeemable Non-Convertible Listed Debentures raised through Public Issue stood at ₹1,06,100.74 lakhs (Previous Year: ₹48,054.28 lakhs). During the FY 2020-2021, Secured Redeemable NCD -listed amounting to ₹65,751.86 lakhs (Previous year : 42,468.31 lakhs) was raised.

Notes to financial statements for the Year ended March 31, 2021

(Rupees in Lakhs)

Date of maturity	Amount	Interest rates
11-06-2021	3,167.27	9.40%
25-08-2021	5,585.97	11.57%-12.25%
12-09-2021	1,871.60	10%
22-10-2021	3,164.34	9.50%
21-01-2022	3,359.69	9.50%
17-02-2022	1,654.83	9.75%
18-03-2022	2,423.48	9.50%
24-04-2022	3,469.50	9.75%-10.22%
09-06-2022	3,198.71	9.25%
01-07-2022	5,406.23	9.75%- 9.77%
12-09-2022	4,037.23	10.25%-10.50%
29-09-2022	4,132.90	9.75%-9.77%
23-11-2022	3,459.34	9.75%- 9.77%
14-02-2023	6,629.28	9.50%-9.54%
17-02-2023	2,591.07	10.00%
01-07-2023	2,693.53	10.00%
29-09-2023	2,047.40	10.00%
23-11-2023	2,122.55	10.00%
17-04-2024	3,094.56	10.22%
24-04-2024	3,912.50	10.00%-10.47%
14-08-2024	4,727.33	10%
31-08-2024	1,686.07	10.22%
12-09-2024	3,878.94	10.35%-10.65%
29-11-2024	749.79	10.22%
23-01-2025	865.15	10.22%
17-02-2025	2,727.43	10.50%
01-07-2025	3,684.44	10.50%
29-09-2025	3,084.45	10.50%
21-11-2025	3,624.01	10.50%
17-12-2025	164.71	10.07%
14-08-2026	2,181.65	10.71%
17-03-2027	4,193.27	10.28%
31-07-2027	3,156.06	10.28%
29-10-2027	1,596.76	10.28%
23-12-2027	1,758.70	10.28%
Total	1,06,100.74	

Notes to financial statements for the Year ended March 31, 2021

8.2 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 ₹1803.46 lakhs (Previous year: ₹3055.87 lakhs). During the FY 2020- 2021, No Secured Privately Placed NCD was raised (Previous year: ₹1149.87 lakhs)

(Rupees in Lakhs)

Date of maturity	Amount	Interest rates
29-10-2021	210.00	8.75% - 9.25%
17-11-2021	65.00	10.00% - 10.25%
29-11-2021	736.00	9.50% - 9.75%
12-06-2022	359.86	9.75% -10.22%
12-06-2024	432.60	10.00% - 10.47%
Total	1,803.46	

8.3 Unsecured Debentures – Unlisted

The outstanding amount of Unsecured Debentures raised through Private placement stood at ₹203.75 lakhs (Previous Year: ₹1039.75 lakhs). There is no fresh issue of debentures during the FY- 2020-2021.

(Rupees in Lakhs)

Date of maturity	Amount	Interest rates
26-05-2021	100.00	11%
12-10-2021	0.50	24.74%
17-10-2021	0.25	24.74%
20-10-2021	1.25	24.74%
24-10-2021	0.50	24.74%
28-10-2021	0.25	24.77%
06-11-2021	1.00	24.74%
29-11-2021	100.00	11%
Total	203.75	

8.4 Unsecured Debentures -Listed

The outstanding amount of Unsecured Debentures raised through Public Issue stood at ₹ 9,308.08 lakhs (Previous Year: ₹18393.27 lakhs). During the FY-20-21 Unsecured Public Placed NCD's amounting to ₹4907.33 lakhs were raised.

(Rupees in Lakhs)

Date of maturity	Amount	Interest rates
27-07-2022	4,400.75	11.02%-11.25%
13-03-2026	2,770.94	10.25%
14-02-2028	2,136.39	10.41%
Total	9,308.08	

Notes to financial statements for the Year ended March 31, 2021

8.5 Unclaimed Matured Debentures

The outstanding amount of Unclaimed Matured Debentures as on 31st March 2021 is ₹108.48 lakhs. (Previous year ₹264.08 lakhs). The same has been transferred to current account maintained with INDUSIND BANK-201008866449.

(Rupees in Lakhs)

Period	Amount
2014-2015	31.30
2015-2016	23.99
2016-2017	23.15
2017-2018	4.20
2018-2019	25.84
Total	108.48

There are no outstanding dues pending to be transferred to Investor Education and Protection Fund as on 31st March, 2021.

Note 9: Borrowings (other than debt securities)

(Rupees in Lakhs)

Particulars	As at March 31, 2021 (Audited)			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
(a) Term loan				
(i) from banks				
Vehicle Loans -State Bank of India, Commercial Br., Ernakulam	61.29			61.29
Term Loan -CSB Bank, Market Road, Ernakulam	2,982.83			2,982.83
Term Loan -Canara Bank, MG Road, Ernakulam	9,774.21			9,774.21
(ii) from financial institutions				
(b) Loans from related party				
(c) Loans repayable on demand				
(i) from banks				
South Indian Bank, M.G. Road, Ernakulam	2.36			2.36
State Bank of India, Commercial Br., Ernakulam	3,846.15			3,846.15
Dhanlaxmi Bank, Shanmugam Road, Ernakulam	1,948.10			1,948.10
Union Bank of India, Ernakulam (erstwhile Andhra Bank, M.G Road , Ernakulam)	3,655.93			3,655.93
Indus Ind Bank, M.G Road. Ernakulam	4,656.10			4,656.10
Union Bank of India, Kottayam	2,264.40			2,264.40
Punjab National Bank Coimbatore (erstwhile Oriental Bank of Commerce, Coimbatore)	4,826.80			4,826.80

Notes to financial statements for the Year ended March 31, 2021

Karur Vysya Bank, Coimbatore	1,464.29			1,464.29
DCB Bank, Chennai	1,500.00			1,500.00
(ii) from financial institutions				
Total (A)	36,982.46	-	-	36,982.46
Borrowings in India	36,982.46	-	-	36,982.46
Borrowings outside India	-			
Total (B)	36,982.46	-	-	36,982.46

Particulars	As at March 31, 2020 (Audited)			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
(a) Term loan				
(i) from banks				
Term Loan -Dhanlaxmi bank, Shanmugam Road, Ernakulam	300.00			300.00
Vehicle Loans -State Bank of India, Commercial Br., Ernakulam	74.83			74.83
(ii) from financial institutions				
Securitisation borrowings				
Northern Arc Loan	3,529.54			3,529.54
(b) Loans from related party				
(c) Loans repayable on demand				
(i) from banks				
South Indian Bank, M.G. Road, Ernakulam	14,425.49			14,425.49
State Bank of India, Commercial Br., Ernakulam	4,454.41			4,454.41
Dhanlaxmi Bank, Shanmugam Road, Ernakulam	1,380.18			1,380.18
Union Bank of India, Ernakulam (erstwhile Andhra Bank, M.G Road , Ernakulam)	3,563.14			3,563.14
Indus Ind Bank, M.G Road. Ernakulam	4,860.20			4,860.20
Union Bank Of India, Kottayam	991.39			991.39
Punjab National Bank Coimbatore (erstwhile Oriental Bank of Commerce,Coimbatore)	2,958.77			2,958.77
(ii) from financial institutions				
Total (A)	36,537.95	-	-	36,537.95
Borrowings in India	36,537.95	-	-	36,537.95
Borrowings outside India	-			
Total (B)	36,537.95	-	-	36,537.95

Notes to financial statements for the Year ended March 31, 2021

9.1 Security Details

Term Loans

a. State Bank of India- Sanctioned Amount ₹80 lakhs - Outstanding. ₹61.29 Lakhs (Previous year ₹74.83 Lakhs)

Secured by way of first and exclusive charge by Hypothecation of the vehicle for the due payment.

Repayment terms: 84 monthly installments of ₹ 0.95 lakhs

b. CSB Bank- Sanctioned Amount - ₹3,000 lakhs - Outstanding ₹2,982.83 Lakhs (Previous year NIL)

Secured by a) first Pari passu charge on gold receivables and other current assets, b) Collateral - Fixed Deposit of ₹ 1500 lakhs c.) Personal guarantee of Mathew Muthoottu and Nizzy Mathew d) Corporate guarantee of M/s Muthoottu Mini Hotels Private Limited and M/s Muthoottu Mini Theatres Private Limited.

Repayment terms: 54 monthly installments of ₹55.56 lakhs

c. Canara Bank - Sanctioned Amount* - ₹10,000 lakhs - Outstanding ₹9,774.21 Lakhs (Previous year NIL)

Secured by a) first Pari passu charge on gold receivables and other current assets, b) Collateral - Fixed Deposit of ₹2500 lakhs c) Personal guarantee of Mathew Muthoottu and Nizzy Mathew

Repayment terms: 35 monthly installments of ₹278 lakhs and last installment of ₹270 lakhs

*The sanctioned amount of ₹10,000 Lakhs was received on 31st of March 2021.

Loans repayable on demand

a. South Indian Bank – Sanctioned Amount - ₹9,900 lakhs Outstanding ₹ 2.36 Lakhs (Previous year ₹14,425.49 Lakhs)**

Secured by a) First ranking pari passu charge along with existing secured lenders of the Company on all receivables under gold loan both present and future of the Company with 25% margin and equitable mortgage of immovable properties being land admeasuring 21.18 acres belonging to our Company, personal guarantors and corporate guarantors and b) Personal guarantee of Roy M. Mathew; Nizzy Mathew; and Mathew Muthoottu and c) Corporate guarantee of 1) Muthoottu Mini Theatres Private Limited; 2) Muthoottu Mini Hotels Private Limited; 3) Mini Muthoottu Credit India Private Limited; and 4) Kandamath Cine Enterprises Private Limited

** The loan has been fully repaid and the Credit facility closed in April 2021.

b. Dhanlaxmi Bank–Sanctioned Amount - ₹2,400 lakhs - Outstanding ₹1,948.10 Lakhs (Previous year ₹1,380.18 Lakhs)

Secured by a) Pari-passu charge by way of hypothecation of current assets, loans, advances and book debts including gold loan receivable, with a margin of 25% b) Collateral security by way of Equitable mortgage of 34.39 ares of vacant land at Pathanamthitta village, Kozhencherry Taluk, Pathanamthitta District in the name of Muthoottu Mini Theatres (Private) Limited c) Personal guarantee of Roy M. Mathew; Nizzy Mathew and Mathew Muthoottu and d) Corporate guarantee of Muthoottu Mini Theatres Private Limited

c. State Bank of India–Sanctioned Amount ₹5,000 lakhs- ₹ Outstanding ₹3,846.15 Lakhs (Previous year ₹4,454.41 Lakhs)

Secured by a) Pari-passu charge First charge on current assets of the Company basis with other lenders in MBA and non-convertible holder's with a margin of 25% b) Equitable mortgage of 32.86 ares of land regarding serial number 219/2, block number 13 in Maradu village, Kerala in the name of Muthoottu Mini Theatres Private Limited c) Personal guarantee of Roy M. Mathew, Mathew Muthoottu and Nizzy Mathew and c) Corporate guarantee of Muthoottu Mini Theatres Private Limited.

Notes to financial statements for the Year ended March 31, 2021

d. Union Bank of India (erstwhile Andhra Bank) - Sanctioned amount - ₹7,500 lakhs - Outstanding ₹3,655.93 Lakhs (Previous year ₹3,563.14 Lakhs)

Secured by a) Pari passu first charge by way of hypothecation of gold loan receivables of the Company (excluding microfinance receivables) for the loans disbursed by them to individuals against pledge of gold ornaments with minimum asset coverage of 133.33% b) Pari passu first charge on other current assets including cash and bank balances (excluding cash collateral specifically given to each bank and cash of microfinance division) c) Equitable mortgage of (a) 16.17 ares (40 cents) of land in survey number 33/3/1, 33/3/1-1, 33/3/1-2, 33/3/1/3 and 33/3/1/4 situated at Pathanamthitta village, Kerala, and (b) Pledge of KTD no. 012520100083648 in the name of Muthoottu Mini Financiers Limited amounting to ₹518 lakhs d) Personal guarantee of Nizzy Mathew and Mathew Muthoottu and e) Corporate guarantee: Muthoottu Mini Hotels Private Limited.

e. Punjab National Bank (Erstwhile Oriental Bank of Commerce) – Sanctioned amount - ₹5,000 lakhs -Outstanding ₹ 4,826.80 Lakhs (Previous year ₹2,958.77 Lakhs)

Secured by a) Pari passu first charge by way of hypothecation of Gold Loan receivables of the Company with minimum asset coverage of 1.33 times b) Equitable Mortgage of immovable property multiplex theatre Dhanya & Remya, situated at Survey No. 34, M. C. Road, Kottayam, Kerala and C) Personal guarantee of Nizzy Mathew and Mathew Muthoottu d) FD of ₹250 lakhs

f. IndusInd Bank - Sanctioned amount - ₹5,000 lakhs Outstanding ₹4,656.10 Lakhs (Previous year ₹4,860.20 Lakhs)

Secured by a) First pari-passu charge on receivables including gold loan receivables with banks under MBA and non-convertible debenture holders b) Equitable Mortgage of i) 05.85 ares along with a three storied building comprised in re-survey number 83 in block number 179 of Kollam East Village, Kollam Taluk; ii) 09.250 cents (03.74 Ares) situated at Survey No. 2786/C-1, 2786/C-2-1 at Vanchiyoor, Trivandrum along with building bearing T.C. nos. 26/44 and 45; and iii) Landed Property having an extent of 19 cents (07.69 ares) and all other things attached thereto comprised in old sy.no.290/3 (re-sy no 170/2-1) of Pandalam Village, Adoor Taluk.

g. Union Bank of India- Sanctioned amount - ₹2,500 lakhs Outstanding ₹2,264.40 Lakhs (Previous year ₹991.39 Lakhs)

Secured by a) first Pari passu charge on gold receivables and other current assets, b) Personal guarantee of Mathew Muthoottu and Nizzy Mathew c) EM of land having its improvements and building there in to an extent of 4.05 Ares in survey no 93/1-2 of Tholicode Village, Nedumangadu Taluk, Thiruvananthapuram District, Kerala State in the name of M/s Muthoottu Mini Financiers Ltd and FD of ₹458 lakhs.

h. Karur Vysya Bank - Sanctioned amount - ₹2,500 lakhs Outstanding ₹1,464.29 Lakhs (Previous year NIL)

Secured by a) first Pari passu charge on gold receivables and other current assets, b) Personal guarantee of Mathew Muthoottu and Nizzy Mathew, c) Equitable Mortgage of - 1. Extent of 24.37 ares (10.12 ares in Sy. 332/8, 10.20 ares in Sy No; 332/8-5, 4.05 ares in Sy.No: 332/8-5) in Kozhencherry Gramapanchayath ward No: Viii, Pazhayatheruvu Junction, Kozhencherry Village, Kozhencherry Taluk, Pathanamthitta District standing in the name of M/s Muthoottu Mini Hotels Private Limited. (Legal Clearance EKMDO/LC/20-21 dated 13.01.2021) 2. Extent of 32.79 ares in sy. No: 332/9A in Kozhencherry Gramapanchayath ward No: Viii, Pazhayatheruvu Junction, Kozhencherry Village, Kozhencherry Taluk, pathanamthitta District standing in the name of M/s Muthoottu Mini Hotels Private Limited. (Legal clearance EKMDO/LC/2020-21 dated 13.01 .2021) and Fixed Deposit of ₹468 lakhs

i. DCB Bank - Sanctioned amount - ₹1500 lakhs Outstanding ₹1,500 Lakhs (Previous year NIL)

Secured by a) first Pari passu charge on gold receivables and other current assets, b) Collateral - Fixed Deposit of ₹150 lakhs

Notes to financial statements for the Year ended March 31, 2021

Note 10: Subordinated Liabilities

(Rupees in Lakhs)

Particulars	As at March 31, 2021 (Audited)			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
Subordinated Liabilities in India	33,802.18			33,802.18
Subordinated Liabilities outside India	-			-
Total	33,802.18	-	-	33,802.18

(Rupees in Lakhs)

Particulars	As at March 31, 2020 (Audited)			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
Subordinated Liabilities in India	28,690.84			28,690.84
Subordinated Liabilities outside India	-			-
Total	28,690.84	-	-	28,690.84

Note 10.1 Details of Subordinated Liabilities

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 (excluding interest accrued) of privately placed subordinated debt stood at ₹ 23,318.20 lakhs (Previous year: ₹20467.07 lakhs).

(Rupees in Lakhs)

Maturity Pattern	Amount*	Interest Rate
	As at 31st March, 2021	
Interest pay out-Monthly		
2021- 2022	2,456.79	10.75% - 11.00%
2022- 2023	5,373.44	10.50% - 11.00%
2023- 2024	183.89	10.50% - 10.75%
2025-2026	1,592.61	10.50%
2026-2027	60.50	10.25%
2027-2028	5.50	14.29%
Interest pay out- Maturity		
2021- 2022	6,645.74	16.67%
2022- 2023	5,760.56	10.75% - 16.67%
2023- 2024	46.65	15.38%
2027-2028	1,192.52	14.29%
Total	23,318.20	

* Excluding interest accrued

Notes to financial statements for the Year ended March 31, 2021

Note 11: Other Financial liabilities

(Rupees in Lakhs)

Particulars	As at March 31, 2021 (Audited)	As at March 31, 2020 (Audited)
Expenses payable	661.14	228.17
Rent Payable	145.98	145.65
Rent Deposit	10.40	8.40
Kotak Insurance Payable	25.01	14.02
Auction Surplus Payable	709.44	554.22
Securitisation Payable	-	330.20
Other Payable	124.87	-
Total	1,676.84	1,280.66

Note 12: Provisions

(Rupees in Lakhs)

Particulars	As at March 31, 2021 (Audited)	As at March 31, 2020 (Audited)
Provision for employee benefits		
- Gratuity	156.65	142.12
Total	156.65	142.12

Note 13: Other Non-financial liabilities

(Rupees in Lakhs)

Particulars	As at March 31, 2021 (Audited)	As at March 31, 2020 (Audited)
Statutory dues payable	273.06	88.58
Others	56.69	44.80
Total	329.75	133.38

Note 14: Equity share capital

14.1 The reconciliation of equity shares outstanding at the beginning and at the end of the period

(Rupees in Lakhs)

Particulars	As at March 31, 2021 (Audited)	As at March 31, 2020 (Audited)
Authorised		
325,00,000 Equity Shares of Rs.100/- each	32,500.00	32,500.00
Issued, subscribed and fully paid up		
249,52,539 Equity shares of Rs. 100/- each fully paid up	24,952.54	24,952.54
Total Equity	24,952.54	24,952.54

14.2 Terms/ rights attached to 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.

Notes to financial statements for the Year ended March 31, 2021

14.3 Reconciliation of the number of Equity shares and of Equity share capital amount outstanding at the beginning and at the end of the year

(Rupees in Lakhs)

Particulars	In Numbers	Amount
As at March 31, 2020	2,49,52,539	24,952.54
Shares issued during the period	-	-
As at March 31, 2021	2,49,52,539	24,952.54

14.4 Details of Equity shareholders holding more than 5% shares in the company

Particulars	As at March 31, 2021 (Audited)	
	No. of shares held	% holding in the class
Mr. Mathew Muthoottu	1,47,79,912	59.23%
Nizy Mathew	33,54,446	13.44%
Mini Muthoottu Hotels (P) Ltd	25,51,298	10.22%
Mini Muthoottu Credit India (P) Ltd	14,19,841	5.69%

Particulars	As at March 31, 2020 (Audited)	
	No. of shares held	% holding in the class
Mr. Mathew Muthoottu	1,47,79,912	59.23%
Nizy Mathew	33,54,446	13.44%
Mini Muthoottu Hotels (P) Ltd	25,51,298	10.22%
Mini Muthoottu Credit India (P) Ltd	14,19,841	5.69%

14.5 Disclosure as to aggregate number and class of shares allotted as pursuant to contract(s) without payment being received in cash, fully paid up by way of bonus shares and shares bought back.

Particulars	Fully paid up pursuant to contract(s) without payment being received in cash	Fully paid up by way of bonus shares	Shares bought back
Equity Shares :			
2019-2020	-	-	-
2018-2019	-	-	-
2017-2018	-	-	-
2016-2017	-	-	-
2015-2016	-	-	-

Note 15: Other equity

(Rupees in Lakhs)

Particulars	As at March 31, 2021 (Audited)	As at March 31, 2020 (Audited)
Statutory Reserves		
Special Reserve Fund(u/s 45 IC of RBI Act, 1934)	-	-
Balance at the beginning of the year	4,740.07	4,071.63
Add: Transfer from Retained earnings	634.61	668.44

Notes to financial statements for the Year ended March 31, 2021

Balance at the end of the year	5,374.68	4,740.07
Debenture Redemption Reserve		
Balance at the beginning of the year	-	8,564.08
Add: Transfer from/(to) Retained earnings	-	(8,564.08)
Balance at the end of the year	-	-
Securities Premium		
Balance at the beginning of the year	7,844.15	7,844.15
Add: Securities premium on share options exercised during the year	-	-
Balance at the end of the year	7,844.15	7,844.15
Revaluation Reserve		
Balance at the beginning of the year	350.00	350.00
Add: Amount transferred	-	-
Balance at the end of the year	350.00	350.00
Retained Earnings		
Balance at the beginning of the year	10,273.56	(964.28)
Add: Profit for the period	3,173.03	3,342.20
Add/Less: Appropriation :-		
Transfer to Special Reserve Fund	(634.61)	(668.44)
Transfer from/(to) Debenture Redemption Reserve	-	8,564.08
Transfer to Impairment Reserve	-	-
Total appropriations	(634.61)	7,895.64
Balance at the end of the year	12,811.98	10,273.56
Total	26,380.81	23,207.78

15.1 Nature and purpose of reserve

Statutory reserve

Statutory Reserve represents the Reserve Fund created u/s 45IC of the Reserve Bank of India Act, 1934. In current year ₹ 634.61 lakhs is appropriated from Statement of Profit and Loss to the Special Reserve Fund.

Debenture Redemption Reserve

The Company, being an NBFC registered with the Reserve Bank of India under Section 45 IA of the RBI Act, 1934, is not required to create a Debenture Redemption Reserve, in respect of public issue of debentures and debentures issued by it on a private placement basis, Pursuant to Rule 18(7)(b)(iii) of the Companies (Share Capital and Debentures) Rules, 2014, as amended vide the Companies (Share Capital and Debentures) Amendment Rules dated August 16, 2019.

Securities Premium

This Reserve represents the premium on issue of equity shares and can be utilized in accordance with the provisions of the Companies Act, 2013.

Notes to financial statements for the Year ended March 31, 2021

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.

Retained Earnings

This Reserve represents the cumulative profits of the Company. This Reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

Note 16: Interest income

(Rupees in Lakhs)

Particulars	Year ended March 31, 2021 (Audited)	Year ended March 31, 2020 (Audited)
	On Financial asset measured at amortised cost	On Financial asset measured at amortised cost
i) Interest on Loans		
On Gold loan	34,990.43	28,835.24
On Micro Finance	853.67	970.79
On loan against property	82.80	13.69
ii) Interest on deposits with bank	339.82	273.96
Total	36,266.72	30,093.68

Note 17: Net gain on fair value changes

(Rupees in Lakhs)

Particulars	Year ended March 31, 2021 (Audited)	Year ended March 31, 2020 (Audited)
(A) Net gain on financial instruments at fair value through profit or loss		
(i) On trading portfolio		
- Investments	1.46	-
- Derivatives	-	-
- Others	-	-
(B) Loss on fair valuation of equity shares	-	5.76
Total Net gain on fair value changes (C)	1.46	(5.76)
Fair Value changes:		
- Realised		
- Unrealised	1.46	(5.76)
Total Net gain on fair value changes	1.46	(5.76)

Notes to financial statements for the Year ended March 31, 2021

Note 18: Sale of services

(Rupees in Lakhs)

Particulars	Year ended March 31, 2021 (Audited)	Year ended March 31, 2020 (Audited)
Other Operating Income	356.10	233.58
Total	356.10	233.58

Note 19: Other Income

(Rupees in Lakhs)

Particulars	Year ended March 31, 2021 (Audited)	Year ended March 31, 2020 (Audited)
Other non-operating income	3.63	18.60
Total	3.63	18.60

Note 20: Finance Costs

(Rupees in Lakhs)

Particulars	As at March 31, 2021 (Audited)	As at March 31, 2020 (Audited)
	On financial liabilities measured at amortised cost	On financial liabilities measured at amortised cost
Interest on deposits	-	
Interest on borrowings (other than debt securities)	4,819.02	4,642.18
PTC loan amortization	5.89	25.06
Term Loan Amortisation	1.09	
Interest on debt securities		
-Public issue	9,992.29	7,949.82
-NCD amortization	303.15	100.72
-Pvt Placement	320.06	525.02
Interest on subordinated liabilities	3,267.32	2,960.21
Other interest expense	-	9.06
Bank Charges	511.14	336.78
Total	19,219.96	16,548.85

Notes to financial statements for the Year ended March 31, 2021

Note 21: Impairment on financial instruments

(Rupees in Lakhs)

Particulars	As at March 31, 2021 (Audited)	As at March 31, 2020 (Audited)
	On financial instruments measured at amortised cost	On financial instru- ments measured at amortised cost
Loans	(68.28)	(87.14)
Bad Debts Written Off	412.26	19.71
Investments		
Other Assets	(2.88)	2.20
Total	341.10	(65.23)

Note 22: Employee Benefits Expenses

(Rupees in Lakhs)

Particulars	Year ended March 31, 2021 (Audited)	Year ended March 31, 2020 (Audited)
Salaries and Wages	6,317.24	5,941.42
Gratuity	47.57	45.77
Bonus	219.52	214.41
Contributions to Provident and Other Funds	577.37	501.28
Staff Welfare Expenses	0.27	2.31
Total	7,161.97	6,705.19

Note 23: Depreciation, amortization and impairment

(Rupees in Lakhs)

Particulars	Year ended March 31, 2021 (Audited)	Year ended March 31, 2020 (Audited)
Depreciation of tangible assets	587.05	683.55
Amortization of intangible assets	0.16	9.03
Total	587.21	692.58

Notes to financial statements for the Year ended March 31, 2021

Note 24: Other Expenses

(Rupees in Lakhs)

Particulars	Year ended March 31, 2021 (Audited)	Year ended March 31, 2020 (Audited)
Rent, taxes and energy costs	2,130.56	2,165.99
Repairs and maintenance	381.19	287.32
Communication Costs	286.84	219.46
Printing and stationery	188.21	228.65
Advertisement and publicity	185.87	88.65
Director's fees, allowances and expenses	8.55	4.46
Auditor's fees and expenses	22.60	21.55
Legal and Professional charges	217.32	149.83
Insurance	88.25	90.59
General Office Expenses	143.68	263.03
Travelling Expenses to Staff	227.03	287.43
Vehicle Running & Maintenance Expenses	4.79	8.59
Security Charges	195.38	177.26
Subscription Charges	2.23	2.73
Corporate social responsibility	57.21	-
Public Issue NCD Expenses	38.04	38.13
Loss on sale of Fixed assets	5.92	0.70
Other expenditure	7.02	159.99
Total	4,190.69	4,194.36

Note 24.1 Auditor's fees and expenses

(Rupees in Lakhs)

Particulars	Year ended March 31, 2021 (Audited)	Year ended March 31, 2020 (Audited)
For Statutory audit	20.00	16.80
For Limited Review	2.60	2.55
For other services	-	2.20
Total	22.60	21.55

Notes to financial statements for the Year ended March 31, 2021

Note 25: Earnings per share

Basic earnings per share (EPS) is calculated by dividing the net profit for the year attributable to equity holders of Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the net profit attributable to equity holders of the company (after adjusting for interest on the convertible preference shares and interest on the convertible bond, in each case, net of tax, if any) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

(Rupees in Lakhs)

Particulars	Year ended March 31, 2021 (Audited)	Year ended March 31, 2020 (Audited)
Net profit attributable to ordinary equity holders in lakhs	3,191.14	3,354.18
Weighted average number of equity shares for basic earnings per share	2,49,52,539	2,49,52,539
Effect of dilution:		
Weighted average number of equity shares for diluted earnings per share	2,49,52,539	2,49,52,539
Earnings per share:		
Basic earnings per share (₹)	12.79	13.44
Diluted earnings per share (₹)	12.79	13.44

Notes to Financial Statements for the year ended 31st March, 2021

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 807 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

The financial statements have been prepared on the following basis:

A. Basis for preparation of Financial statements

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

For all periods up to and including the year ended 31 March 2019, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP). The financial statements for the year ended 31 March 2020 are the first financial statement of the Company prepared in accordance with Ind AS.

The financial statements have been prepared under the historical cost convention, as modified by the application of fair value measurements required or allowed by relevant Indian Accounting Standards.

Accounting policies have been consistently applied to all periods presented, unless otherwise stated. The preparation of financial statements requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosed amount of contingent liabilities. Areas involving a higher degree of judgment or complexity, or areas where assumptions are significant to the Company are discussed in Note IV- Significant accounting judgments, estimates and provisions.

B. Presentation of Financial Statements

The financial statements of the Company are presented as per Schedule III (Division III) of the Companies Act, 2013 applicable to NBFCs, as notified by the Ministry of Corporate Affairs (MCA). Financial assets and financial liabilities are generally reported on a gross basis except when, there is an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event and the parties intend to settle on a net basis.

C. Statement of Compliance

These standalone or separate financial statements of the Company have been prepared in accordance with Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 and the other relevant provisions of the Act

D. New accounting standards issued but not effective

There are no standards that are issued but not yet effective on March 31, 2021

E. Functional and Presentation currency

The financial statements are presented in Indian Rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the

Company operates. All values are rounded to the nearest lakhs, except when otherwise indicated..

III. Significant Accounting Policies

A. Revenue Recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

(a) Interest Income

Interest income from financial assets is recognized on an accrual basis using effective interest rate method (EIR). The effective interest rate method is the rate that exactly discounts estimated future cash receipts (including all fees, transaction costs and other premiums or discounts paid or received) through the expected life of the financial instrument to the carrying amount on initial recognition. While estimating future cash receipts, factors like expected behavior and life cycle of the financial asset, probable fluctuation in collateral value etc. are considered which has an impact on the EIR. 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 recognizes income on such loans only to the extent it is confident of recovering interest from its customers through sale of underlying security or otherwise.

Such interests, where installments are overdue in respect of non-performing assets are recognized on realization basis. Any such income recognized and remaining unrealized after the installments become overdue with respect to non-performing assets is reversed.

(b) Dividend Income

Dividend income is recognised when the right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of the dividend can be measured reliably.

(c) Income from sale of services

Revenue is recognized upon transfer of control of promised services to customer in an amount that reflects the consideration we expect to receive as per the agreement with the customer.

Where the performance obligation is satisfied overtime and where there is no uncertainty as to measurement or collectability of consideration, revenue is recognized as per the percentage of completion method.

The Company has applied revenue recognition criteria for each distinct performance obligation in relation to service income. The transaction price is allocated to each performance obligation based on the stand alone selling price:

Any other revenue from operations are recognised based on a five step model frame work under INDAS 115 elucidated below

- Step 1 Identify the contract with the customer – A contract is considered within the scope when the contract is approved by both the parties, payment terms and party's rights are identified and it is probable that the consideration will be collected.
- Step 2 Identify the performance obligations in the contract
- Step 3 Determine the transaction price
- Step 4 Allocate the transaction price to the performance obligation in the contracts
- Step 5 Recognize revenue when the Company satisfies a performance obligation

B. Financial Instruments

(a) Classification of Financial Instruments

Financial instrument is any contract that gives rise to a financial asset for one entity and a financial liability or equity instrument for another entity.

Financial assets and financial liabilities are recognized on its balance sheet when the company becomes a party to the contractual provisions of the instrument

(b) Business Model Assessment

Classification and measurement of financial assets depends on the results of the Solely Payments of Principal and Interest (SPPI) and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortized cost or fair value through other comprehensive income that are derecognized prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets

Financial Assets

Initial Recognition & measurement

Financial asset is initially recognized in the Balance sheet at fair value. Transaction costs directly attributable to the acquisition of the financial asset measured at fair value through profit or loss, are recognized immediately in profit or loss. Transaction costs directly attributable to the acquisition or issue of financial asset that are measured at amortized cost are added or deducted from the fair value of the financial asset as appropriate, on initial recognition

Subsequent measurement

Subsequent to initial recognition, financial assets may be classified as under:

- Financial assets to be measured at amortized cost

A financial asset is measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principle and interest on the principle amount outstanding.

- Financial assets to be measured at fair value through other comprehensive income (FVOCI)

A financial asset is measured at FVOCI if it is held within a business model whose objective is achieved by both collecting the contractual cash flows & selling financial assets and the contractual terms of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- Financial assets to be measured at fair value through profit or loss account

Where the criteria for the above two methods of classification are not met then the financial assets shall be measured at fair value through profit or loss account

Financial Liabilities

Initial Recognition & measurement

All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs. The company's financial liabilities include trade and other payables, non-convertible debentures, loans and borrowings including bank overdrafts.

Subsequent Measurement

Financial liabilities are subsequently carried at amortized cost using the effective interest method.

Derecognition of Financial Asset/Liability

The Company derecognizes a financial asset when the contractual cash flows from the asset expire or it transfers its rights to receive contractual cash flows from the financial asset in a transaction in which substantially all the risks and rewards of ownership are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as de-recognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

(c) Impairment of financial assets

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' model (ECL), for evaluating impairment of financial assets other than those measured at Fair value through profit and loss. Expected Credit Loss, at each reporting date, is measured through a loss allowance for a financial asset:

- At an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition.

- At an amount equal to 12-month expected credit losses, if the credit risk on a financial instrument has not increased significantly since initial recognition.

Lifetime expected credit losses means expected credit losses that result from all possible default events over the expected life of a financial asset.

12-month expected credit losses means the portion of Lifetime ECL that represent the ECLs that result from default events on financial assets that are possible within the 12 months after the reporting date. The Company performs an assessment, at the end of each reporting period, of whether a financial assets credit risk has increased significantly since initial recognition. When making the assessment, the change in the risk of a default occurring over the expected life of the financial instrument is used instead of the change in the amount of expected credit losses

Based on the above process, the Company categorizes its loans into three stages as described below: For non-impaired financial assets

- Stage 1 is comprised of all non-impaired financial

assets which have not experienced a significant increase in credit risk (SICR) since initial recognition. A 12-month ECL provision is made for stage 1 financial assets. In assessing whether credit risk has increased significantly, the Company compares the risk of a default occurring on the financial asset as at the reporting date with the risk of a default occurring on the financial asset as at the date of initial recognition

- Stage 2 is comprised of all non-impaired financial assets which have experienced a significant increase in credit risk since initial recognition. The Company recognizes lifetime ECL for stage 2 financial assets. In subsequent reporting periods, if the credit risk of the financial instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then entities shall revert to recognizing 12 months ECL provision.
- For impaired financial assets: Financial assets are classified as stage 3 when there is objective evidence of impairment as a result of one or more loss events that have occurred after initial recognition with a negative impact on the estimated future cash flows of a loan or a portfolio of loans. The Company recognizes lifetime ECL for impaired financial assets.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

- Probability of Default (PD) - The Probability of Default is an estimate of the likelihood of default over a given time horizon. The Company uses historical information where available to determine PD. For this purpose the probability over a period of one year of the outstanding loan portfolio for the past few years is taken for Gold loan portfolio taking slippage to NPA, loans written off and auction closure as defaulting events. For microfinance and loan against property slippage to NPA and written off are taken as defaulting events.
- Exposure at Default (EAD) - The Exposure at Default is an estimate of the exposure at a future default date, considering expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments. The company uses historical information where available to estimate its EAD. By observing the historical data and due to the bullet payment scheme of gold loans, EAD for gold loan portfolio is taken as 100% and for micro finance and loan against

property based on the amount of loan outstanding at the time of default to the actual disbursed amount of loan over the last few years.

- Loss Given Default (LGD) – The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realization of any collateral.

Forward Looking information

While estimating the expected credit losses, the Company reviews macro-economic developments occurring in the economy and market it operates in. On a periodic basis, the Company analyses if there is any relationship between key economic trends like GDP, unemployment rates, benchmark rates set by the Reserve Bank of India, inflation etc. with the estimate of PD, LGD determined by the Company based on its internal data. While the internal estimates of PD, LGD rates by the Company may not be always reflective of such relationships, temporary overlays, if any, are embedded in the methodology to reflect such macro-economic trends reasonably.

To mitigate its credit risks on financial assets, the Company uses collateral, where possible. Collateral comes in various forms, and mainly represents Gold jewellery in respect of Gold loans financed by the company. However, the fair value of collateral affects the calculation of ECL. The collateral is majorly the property for which the loan is given. The fair value of the same is based on data provided by third party or management judgements.

Loans are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subjected to write-offs. Any subsequent recoveries against such loans are credited to the Statement of Profit and Loss.

Where the expected credit loss assessed by the company based on the above metrics are lower than the provision required under the RBI norms, an overlay is added to the provision methodology to ensure that the expected credit loss ascertained by the company is always not lower than the minimum regulatory provision required under RBI norms

Determination of Fair Value of Financial instruments

The company measures certain financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the

measurement date. The fair value measurement is based on the perception that the transaction to sell the asset or transfer the liability takes place either –

- a. In the principal market for the asset or liability ;
- or
- b. In the absence of principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the company. The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability assuming that market participants act in their economic best interest. The fair value measurement of a non-financial asset takes into account a market participants ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs

The financial instruments are classified based on hierarchy of valuation techniques, as summarised below -

Level 1 - This level includes financial assets that are measured by reference to quoted prices in active markets for identical assets or liabilities.

Level 2 - This level includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. price) or indirectly (i.e. derived from prices).

Level 3 - This level includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

C. Retirement and other employee benefits

1. 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 short term compensated absences such as paid annual leave. The undiscounted amount of short-term employee benefits

expected to be paid in exchange for the services rendered by employees is recognized as an expense during the period. Benefits such as salaries and wages, etc. and the expected cost of the bonus/ex-gratia are recognized in the period in which the employee renders the related service.

2. Long term Employee Benefits

• Defined contribution plans:

All the employees of the Company are entitled to receive benefits under the Provident Fund and Employees State Insurance scheme, defined contribution plans in which both the employee and the Company contribute monthly at a stipulated rate. The Company has no liability for future benefits other than its annual contribution and recognizes such contributions as an expense in the period in which employee renders the related service.

• Defined Benefit Plan:

The Company provides for the gratuity, a defined benefit retirement plan covering all employees. The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated years mentioned under 'The Payment of Gratuity Act, 1972'. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation, carried out by an independent actuary at each Balance Sheet date, using the Projected Unit Credit Method.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on Government Securities as at the Balance Sheet date.

Net interest recognized in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognized as part of re-measurement of net defined liability or asset through other comprehensive income. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, attrition rate, future salary increases and mortality rates.

Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed annually.

Re-measurement, comprising of actuarial gains and losses and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized

immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit and loss in subsequent periods.

D. Leases

The Company evaluates each contract or arrangement, whether it qualifies as lease as defined under Ind AS 116. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset.

The Company as a lessee

The Company has elected not to recognize right-of use assets and lease liabilities for short term leases that have a lease term of less than or equal to 12 months and leases with low value assets. The Company determines the lease term as the non-cancellable period of a lease, together with periods covered by an option to extend the lease, where the Company is reasonably certain to exercise that option.

The Company recognizes the lease payments associated with these leases as an expense in Statement of Profit and Loss on a straight-line basis over the lease term or another systematic basis if that basis is more representative of the pattern of the lessee's benefit. The related cash flows are classified as operating activities.

Wherever the above exception permitted under Ind AS 116 is not applicable, the Company at the time of initial recognition:

- Measures lease liability as present value of all lease payments discounted using the Company's incremental cost of borrowing and directly attributable costs. Subsequently, the lease liability is increased by interest on lease liability, reduced by lease payments made and remeasured to reflect any reassessment or lease modifications specified in Ind AS 116 'Leases', or to reflect revised fixed lease payments.
- Measures 'Right-of-use assets' as present value of all lease payments discounted using the Company's incremental cost of borrowing and any initial direct costs. Subsequently, 'Right-of-use assets' is measured using cost model i.e. at cost less any accumulated depreciation (depreciated on straight line basis over the lease period) and any accumulated impairment losses adjusted for any re measurement of the lease liability specified in Ind AS 116 'Leases'

The Company as a lessor

Leases under which the Company is a lessor are classified

as finance or operating leases. Lease contracts where all the risks and rewards are substantially transferred to the lessee, the lease contracts are classified as finance leases. All other leases are classified as operating leases. Lease payments from operating leases are recognized as an income in the Statement of Profit and Loss on a straight-line basis over the lease term or another systematic basis if that basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished.

E. Taxes

• Current Tax

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible in accordance with applicable tax laws. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the end of reporting date in India where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss i.e., either in other comprehensive income or in equity. Current tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

• Deferred Tax

Deferred tax assets and liabilities are recognised for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are only recognised for temporary differences, unused tax losses and unused tax credits if it is probable that future taxable amounts will arise to utilise those temporary differences and losses. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities are realised simultaneously. Deferred tax relating to items recognised outside profit or loss is recognised outside

profit or loss i.e., either in other comprehensive income or in equity. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

• Minimum Alternate Tax

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that it is probable that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the MAT Credit Entitlement asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

F. Foreign currency transaction

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in profit or loss.

G. 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 three months from the date of deposit.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short- term deposits, as defined above, net of outstanding bank overdrafts if any, as they are considered an integral part of the Company's cash management.

H. Property Plant and Equipment

The Company has elected to choose the cost model as its accounting policy and continue with the carrying value of

assets as deemed cost of all its property, plant and equipment on transition date to IndAS.

The property plant and equipment are the assets held for the use in the supply of services. Property, plant and equipment's are stated in the balance sheet at cost (net of duty/tax credit availed) less accumulated depreciation and accumulated impairment losses, where applicable.

The total cost of assets comprises its purchase price, freight, duties, taxes and any other incidental expenses directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. Changes in the expected useful life are accounted for by changing the amortization period or methodology, as appropriate, and treated as changes in accounting estimates. Subsequent expenditure related to an item of tangible asset are added to its gross value only if it increases the future benefits of the existing asset, beyond its previously assessed standards of performance and cost can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

I. Depreciation

Depreciation is provided using written down value method as per the Useful life provided in the Schedule II of The Companies Act, 2013.

Particulars	Useful life as per Companies Act (in years)	Useful life estimated by the Company (in years)
Computers and accessories	3	3
Plant and machinery	15	15
Building	60	60
Car	8	8
Furniture and fittings	10	10
Electrical fittings	10	10
Electronic equipment	15	15
Weighing machine	15	15
Software and licenses	3	3
Video surveillance equipment	15	15
Air conditioner	10	10

J. Intangible Assets

An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected

future economic benefits that are attributable to it will flow to the Company. Intangible assets acquired separately are measured on initial recognition at cost. The cost of an intangible asset comprises its purchase price and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life, or the expected pattern of consumption of future economic benefits embodied in the asset, are accounted for by changing the amortisation period or methodology, as appropriate, which are then treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is presented as a separate line item in the statement of profit and loss. Amortisation on assets acquired/sold during the year is recognised on a pro-rata basis to the Statement of Profit and Loss from / upto the date of acquisition/sale. Amortisation is calculated using the straight-line method to write down the cost of intangible assets to their residual values over their estimated useful lives. Intangible assets comprising of software are amortized on a straight-line basis over a period of 3 years, unless it has a shorter useful life.

The Company's intangible assets consist of computer software with definite life. Gains or losses from derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognized in the Statement of Profit and Loss when the asset is derecognized.

K. Related Party

All related party transactions which were entered into during the year were on an arm's length basis and generally in the ordinary course of business under the Act. The Company has a policy on related party transactions which has been approved by the Board in their meeting held on 27 March, 2017. All the transactions which are identified as related party transactions are approved by the Audit Committee/ Board of Directors/ members at the General Meeting as may be deemed necessary and as stipulated in the policy.

Details of transactions entered into with the related party is disclosed in Note V (4) Accompanying notes to the financial statements.

L. Provisions

Provisions are recognised when the enterprise has

a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When the effect of the time value of money is material, the enterprise determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement. As at reporting date, the Company does not have any such provisions where the effect of time value of money is material.

M. Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. The company does not have any contingent assets in the financial statements.

N. Earnings Per Share

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividend and attributable taxes) by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

O. Cash Flow

The company is reporting cash flow statement in indirect method, whereby net profit or loss is adjusted for the effects

of transactions of a non-cash nature, tax, 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.

P. 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.

Q. Impairment of Non-Financial Assets

The carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets, net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

IV. Significant accounting judgements, estimates and provisions

The preparation of financial statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods are affected. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

(a) Business Model Assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Company determines the business model at a level that

reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

(b) Defined employee benefit assets and liabilities

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed annually.

(c) Fair value measurement

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using various valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(d) Impairment of loans portfolio

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the Assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes which can result in different levels of allowances. It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

(e) Contingent liabilities and provisions other than impairment on loan portfolio

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

(f) Effective Interest Rate (EIR) method

The Company's EIR methodology, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty, interest and charges). This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes to India's base rate and other fee income/expense

that are integral parts of the Instrument.

(g) Determination of lease term

Ind AS 116 "Leases" requires lessee to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes assessment on the expected lease term on lease by lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of lease and the importance of the underlying to the Company's operations taking into account the location of the underlying asset and the availability of the suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

(h) Other estimates:

These include contingent liabilities, useful lives of tangible and intangible assets etc.

V. ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

1. Income Tax

a. Major components of tax expense/(income):

(Rupees in lakhs)

Particulars	2020-21	2019-20
Profit or Loss section		
(i) Current income tax:		
Current income tax expense	928.10	551.91
Tax expense of prior periods	-	31.36
(ii) Deferred tax:		
Tax expense on origination and reversal of temporary differences	1,205.21	(703.69)
Income tax expense reported in Profit or Loss [(i) + (ii)]	2,133.31	(120.42)
Other Comprehensive Income (OCI) section:		
(i) Items that will not be reclassified to profit or loss		
Remeasurement of defined benefit plans	(6.98)	(5.99)
(ii) Items to be reclassified to profit or loss in subsequent periods:	-	-
Income tax expense reported in Other Comprehensive Income[(i)+(ii)]	(6.98)	(5.99)
Retained earnings:		
Current income tax	928.10	551.91
Previous year tax	-	31.36
Deferred tax	1,198.23	(709.68)
Income tax expense reported in retained earnings	2,126.33	(126.41)

b. Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate :

(Rupees in lakhs)

Particulars	2020-21	2019-20
Accounting profit before tax as per Ind AS	5,324.45	3,233.76
At India's Statutory Income Tax rate of 27.82 % /29.12%	1,550.48	941.67
Add/(Less) : Ind AS adjustments on PBT	-	-
Add/(Less) : Allowances / disallowances (Net) for which deferred tax not taken	(345.27)	(1,645.36)
Add: Tax paid as per MAT and interest thereof	928.10	551.91
Add: Adjustment of prior year tax	-	31.36
Deferred tax	1,205.21	(703.69)
Total tax expenses in Profit/Loss Statement	2,133.31	(120.42)

The effective Income Tax rate for FY 2020-21 : 27.82% (PY :29.12%)

c. Components of deferred tax (assets) and liabilities recognized in Balance Sheet and statement of profit and loss :

(Rupees in lakhs)

Sl.No	Particulars	As at 31-03-2021	As at 31-03-2020	Year ended 31-03-2021	
				Statement of Profit and Loss	OCI
		Balance sheet			
(a)	Re measurement gain / (loss) on defined benefit plan	43.58	41.39	(4.79)	6.98
(b)	Impact of carry forward losses	-	958.01	(958.01)	-
(c)	Difference between book depreciation and tax depreciation	623.55	713.60	(90.05)	-
(d)	Financial assets measured at Fair value	0.31	0.75	(0.44)	-
(e)	Net impact of gain on de recognition of financial instruments under amortised cost category	(323.95)	(47.89)	(276.06)	-
(f)	Other temporary differences	28.05	(96.09)	124.14	-
	Net deferred tax assets/(liabilities)	371.54	1,569.77	(1,205.21)	6.98

d. Reconciliation of deferred tax (assets)/liabilities:

(Rupees in lakhs)

Sl. No	Particulars	2020-21	2019-20
(a)	Opening balance as at April 1	1569.77	860.09
(b)	Deferred Tax income/(expense) during the period recognised in:		
	(i) Statement of Profit and Loss in Profit or Loss section	(1205.21)	703.69
	(ii) Statement of Profit and Loss under OCI section	6.98	5.99
	Closing balance as at March 31	371.54	1569.77

Unused tax losses for which no deferred tax asset has been recognized - Rs Nil

2. Retirement Benefit Plan

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the gratuity plan.

Net employee benefit expense recognized in the Other Comprehensive Income

(Rupees in lakhs)

Movement in Other Comprehensive Income (OCI)	As at 31-03-2021	As at 31-03-2020
Actuarial Loss/ (Gain) on Obligation side during the period	25.09	17.97

Reconciliation of Net asset/liability

(Rupees in lakhs)

Particulars	As at 31-03-2021	As at 31-03-2020
Opening Net liability	142.12	133.92
Expense recognized in P/L	47.57	45.77
Actuarial loss/(Gain) recognized in OCI	25.09	17.97
Contribution paid by employer	(58.13)	(55.54)
Closing Net Liability	156.65	142.12

Expenses recognized in the statement of profit and loss
(Rupees in lakhs)

Particulars	As at 31-03-2021	As at 31-03-2020
Current Service Cost	35.58	34.43
Past Service Cost	-	-
Settlement Cost/(Credit)	-	-
Net Interest on Obligation/Asset	11.99	11.34
Expenses recognized in the statement of Profit & Loss	47.57	45.77

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below

Particulars	31.03.2021	31.03.2020
Discount Rate	7.5%	7.5%
Compensation Escalation Rate	5%	5%
Mortality rate during employment	Indian Assured Lives mortality (2006-08)	Indian Assured Lives mortality (2006-08)

Sensitivity Analysis
(Rupees in Lakhs)

Assumptions	31-03-2021		31-03-2021		31-03-2020		31-03-2020	
	Discount Rate		Increase in Compensation level		Discount Rate		Increase in Compensation level	
Sensitivity level	1 % increase	1 % decrease	1 % increase	1 % decrease	1 % increase	1 % decrease	1 % increase	1 % decrease
Impact on Defined benefit obligation	(127.89)	160.22	158.98	(128.66)	(127.23)	159.89	158.37	(128.24)

3. FOREIGN EXCHANGE TRANSACTIONS

There are no foreign currency transactions during the financial year.

4. 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)	
P.E. Mathai (CEO)^	
Ann Mary George, ACA (CFO)	
Smitha K S, ACS (CS)	
M S Rajagopal	Independent Director
Thomas Cherian*	
Maliakal Jose Paul	
John V George^^	Additional Director
Rudran Puthukulangara**	Additional Independent Director
Roy M Mathew	Relatives of Key Managerial Personnel / Director

Mini Muthoottu Nidhi Kerala Ltd	Entity in which KMP has significant influence.
MM Nirman and Real Estate Pvt Ltd	
Muthoottu Mini Hotels Pvt Ltd	
Muthoottu Mini Theatres Private Limited	
Mini Muthoottu Credit India Private Limited	
Kandamath Cine Enterprises Private Limited	
Kozhencherry M M Financial Services Pvt Ltd	
Miilanche	

*Ceases to be a director from September 30,2020

**Ceases to be a director from September 26,2020

^With effect from January 01, 2021

^^With effect from March 24, 2021

b). Transactions during the financial year with related parties as on 31.03.2021

(Rupees in Lakhs)

Particulars	Key managerial personnel				
	Mathew Muthoottu (Managing Director)	Nizy Mathew (Whole Time Director)	P E Mathai (CEO)	Ann Mary George, ACA (CFO)	Smitha. K.S ACS (CS)
Salary and allowance	132.00	108.00	15.00	28.62	19.52
Rent/ maintenance charges	3.45	1.10	-	-	-
Debenture interest	1.81	2.77	-	-	-
Debenture redeemed	6.00	3.50	-	-	-
Debenture holdings	12.60	28.50	-	-	-
Sub debt Holdings	4.50	-	-	-	-
Advance for property	1,150*	-	-	-	-

* Nil as on 31.03.2021

(Rupees in Lakhs)

Particulars	Directors				
	John V George	Thomas Cherian	Maliakal Jose Paul	M S Rajagopal	Rudran Puthukulangara
Sitting fee	0.20	2.20	2.75	3.20	0.20

(Rupees in Lakhs)

Particulars	Relative of KMP	Entity in which KMP has significant influence				
		Mini Muthoottu Nidhi Kerala Ltd	MM Nirman and Real Estate P Ltd	Muthoottu Mini Hotels P Ltd	Kozhencherry M M Financial Services Pvt Ltd	Miilanche
Rent/ maintenance charges	3.25	3.00	2.40	2.35	-	-
Rent received	-	16.20	-	-	-	0.90
Debenture interest	0.07	-	-	-	-	-
Subdebt Holdings	1.12	-	-	-	-	-
Loan against property	1,150.00*	-	-	675.00	-	-
Interest on Loan against property	67.08			15.72		
Principal repayment of Loan against property	1,150.00			5.24		
Payment towards masks (CSR)	-	-	-	-	-	29.73
Diary printing	-	-	-	-	11.97	-

*Closed as on 31.03.2021

c. Charge created on assets of the related party

The following entities have extended collateral security and corporate guarantee for the borrowings from banks as reflected in Note 9.

1. Muthoottu Mini Theatres Private Limited;
2. Muthoottu Mini Hotels Private Limited;
3. Mini Muthoottu Credit India Private Limited; and
4. Kandamath Cine Enterprises Private Limited

The following related parties have extended personal guarantee for the borrowings from banks as reflected in Note 9.

1. Roy M Mathew
2. Nizzy Mathew
3. Mathew Muthoottu

d) Transaction during the financial year with related parties as on 31.03.2020.

(Rupees in lakhs)

Particulars	Key managerial personnel					Directors					Relative of KMP	Entity in which KMP has significant influence		
	Mathew Muthoottu (Managing Director)	Nizy Mathew (Whole Time Director)	Dr. Kurian P Abraham (CEO)	Ann Mary George, ACA (CFO)	Smitha. K. S ACS (CS)	Krishna Kumar	Thomas Cherian	Mali-akal Jose Paul	M S Rajagopal	Rudran Puthukulan-gara		Roy M Mathew	Mini Muthoottu Nidhi Kerala Ltd	MM Nirman and Real Estate Pvt Ltd
Salary and allowance	66.00	55.00	29.72	22.83	18.57	-	-	-	-	-	-	-	-	-
Sitting fee	-	-	-	-	-	0.20	2.70	0.50	0.85	0.20	-	-	-	-
Rent/ maintainace charges	3.45	1.10	-	-	-	-	-	-	-	-	3.25	3.54	2.40	2.35
Rent received	-	3.54	-	-	-	-	-	-	-	-	-	19.12	-	-
Travelling expenses	2.18	2.19	-	0.02	0.22	0.01	-	-	-	-	-	-	-	-
Debenture interest	0.73	1.18	-	-	-	-	-	-	-	-	-	-	-	-
Debenture redeemed	-	6.00	-	-	-	-	-	-	-	-	-	-	-	-
Debenture holdings	7.20	5.50	-	-	-	-	-	-	-	-	-	-	-	-

4. MANAGERIAL REMUNERATION

(Rupees in lakhs)

Whole time director	2020-21	2019-20
Nizy Mathew	108.00	55.00
Mathew Muthoottu	132.00	66.00
Key managerial person		
P E Mathai	15.00	-
Ann Mary George	28.62	22.83
Smitha K S	19.52	18.57
Total	303.14	162.40

5. Capital Management

The Company maintains an actively managed capital base to cover risks inherent in the business which includes issued equity capital, share premium and all other equity reserves attributable to equity holders of the Company. The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximize shareholder value. The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years except those incorporated on account of regulatory amendments. However, they are under constant review by the Board.

(Rupees in lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020
1. CRAR- Tier I Capital	49,395.78	46,559.35
2. CRAR- Tier II Capital	7,430.00	9,617.36
3. Total Capital	56,825.78	56,176.71
4. Risk Weighted Assets	2,20,673.57	1,89,494.35
5. CRAR- Tier I Capital (%)	22.38%	24.57%
6. CRAR- Tier II Capital (%)	3.37%	5.08%
7. Total CRAR (%)	25.75%	29.65%

6. Fair Value Measurement

a. Valuation Principle

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, explained in the note - "Determination of fair value of Financial Instruments" (Note No: III B (c))

b. Valuation Hierarchy:

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy

(Rupees in lakhs)

Particulars	31-03-2021				31-03-2020			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis	-	-	-	-	-	-	-	-
Financial investment held for trading	-	-	-	-	-	-	-	-
Equity Shares	4.70	-	-	4.70	3.24	-	-	3.24
Total Assets measured at fair value on a recurring basis	4.70	-	-	4.70	3.24	-	-	3.24
Assets measured at fair value on a non-recurring basis	-	-	-	-	-	-	-	-
Liabilities measured at fair value on a recurring basis	-	-	-	-	-	-	-	-
Derivative financial instruments	-	-	-	-	-	-	-	-
-Forward contracts	-	-	-	-	-	-	-	-
-Cross Currency Swaps	-	-	-	-	-	-	-	-
Total derivative financial instruments	-	-	-	-	-	-	-	-
Total Liabilities measured at fair value on a recurring basis	-	-	-	-	-	-	-	-
Liabilities measured at fair value on a non-recurring basis	-	-	-	-	-	-	-	-

c. Valuation Technique

Equity Instruments: Equity instruments in listed entities are measured at the latest available listed market price as at the end of the reporting date.

d. Transfer between Level 1/Level2 and Level 3 during the reporting period

During the year there have been no transfers between level 1 and level 2. Similarly, there were no transfers from or to level 3

e. Fair value of financial instruments not measured at fair value

Set out below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non-financial Assets and non-financial liabilities.

(Rupees in lakhs)

Particulars	Level	Carrying Value		Fair Value	
		31-03-2021	31-03-2020	31-03-2021	31-03-2020
Financial assets					
Cash and cash equivalents	1	23,048.70	4,220.54	23,048.70	4,220.54
Bank Balance other than (a) above	1	7,909.27	5,981.13	7,909.27	5,981.13
Loans	3	1,97,894.20	1,67,514.53	1,97,894.20	1,67,514.53
Investments	1	4.70	3.24	4.70	3.24
Other financial assets	3	2,149.78	2,253.94	2,149.78	2,253.94
Total Financial assets		2,31,006.65	1,79,973.38	2,31,006.65	1,79,973.38
Financial liabilities					
Debt Securities	2	1,28,066.82	87,619.46	1,28,066.82	87,619.46
Borrowings (other than debt securities)	2	36,982.46	36,537.95	36,982.46	36,537.95
Subordinated liabilities	2	33,802.18	28,690.84	33,802.18	28,690.84
Other financial liabilities	2	1,676.84	1,280.66	1,676.84	1,280.66
Total Financial liabilities		2,00,528.30	1,54,128.91	2,00,528.30	1,54,128.91

f. Valuation methodologies of financial instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the financial statements. These fair values were calculated for disclosure purposes only.

- Short-term financial assets and liabilities
For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value
- Loans and advances to customers
The fair values of loans and receivables are estimated by discounted cash flow models that incorporate assumptions for credit risks, probability of default and loss given default estimates. Since comparable data is not available, Credit risk is derived using, historical experience, management view and other information used in its collective impairment models
- Borrowings
The floating rate loans are fair valued on the basis of MCLR + spread. For fixed rate loans, the carrying values are a reasonable approximation of their fair value.

7. Risk Management

Introduction and Risk Profile

As a lending institution, the Company is exposed to various risks that are related to gold lending business, micro finance business and operating environment. Risk management forms an integral element of the business. The objective in the risk management process is to appreciate, measure and monitor the various risks that are subject to and to follow policies and procedures to address these risks. The Company manages it through the risk management architecture. The Company continue to improve the policies and procedures and to implement these rigorously, for the efficient functioning of the business. This also helps in managing the risks, associated with the business.

Risk management structure

The Company has constituted Risk Management Committee to assist the Board of Directors in the execution of its risk management accountabilities. The Committee provides the Risk Committee of the Board of Directors an independent and objective oversight view of the information to review Company's financial risk activities and provide an assurance to the Board of Directors that the Company has implemented an effective ongoing process to identify the risk, to measure the potential impact and proactively manage these risks and to decide the tolerance for the risk.

Risk measurement and reporting systems

In order to address the risks that are inherent to the business, the Company has developed a risk management architecture that includes a Risk Management Committee, of the Board of Directors, internal audit department, and an internal Risk Management Committee comprising senior management. The Risk Management Committee, oversees the risk management policies, which helps to identify, measure, monitor and mitigate the various risks in the businesses. The terms of reference of Risk Management Committee are as follows:

- (a) To assist the Board in setting risk strategy policies in liaison with management and in the discharge of its duties relating to corporate accountability and associated risk in terms of management assurance and reporting;
- (b) To review and assess the nature, role, responsibility and authority of the risk management function within the Company and outline the scope of risk management work; and
- (c) 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.

Internal Audit Department & Risk Audit

Our internal audit department assists in the management of operational risk.

Assets-Liabilities Management Policy

The asset-liability management policy ("ALM Policy") adopted by the Board is reviewed periodically and last updated on July 20, 2020.

Analysis of risk concentration

1. Credit Risk

Credit risk is the possibility of loss due to the failure of any borrower to abide by the terms and conditions of the loan agreement. We believe that the credit risk in our Gold Loan business is relatively low because all our loans are generally over collateralized by pledged gold ornaments. We aim to reduce credit risk through a rigorous loan approval and gold appraisal process, KYC compliance procedures and a strong non-performing asset ("NPA") monitoring and recovery mechanism. The credit risk is diminished because the gold jewellery used as security for our loans can be readily liquidated, and the possibility of recovering less than the amount due to us is relatively low. We also mitigate credit risk by not disbursing loans in excess of specified limits, as fixed by our Company from time to time, to the same customer, and for high value loans we undertake a credit check or profiling of the borrower before a loan is approved. We have developed methods to peg the value of the loan amount to the moving average price of gold. We also decrease credit risk by focusing on the quality of the pledged gold. Our internal control system ensures independent verification of the gold by at least two officials at the branch level. The level of verification at the branch level increases as the loan value increases. In addition, the quality of gold is checked by the inspecting officers of the Company through random check and by gold auditors through a detailed check.

Credit risk in our micro finance business is generally higher than our Gold Loan business as the amount advanced is on unsecured basis. However, our product is designed in such a way that the loans are granted to individuals who form a part of the group and the group is ultimately liable for each member repayment obligation under that group. We also mitigate credit risk by not disbursing loans in excess of specified limits which is currently ₹ 0.70 lakh to an individual customer. We also decrease credit risk by closely follow up with the group members on weekly basis.

The table below summarises the credit risk exposure of the loan portfolio of the company based on days past due and geography of the borrower:

As on 31/03/2021

(Rupees in lakhs)

State wise (Geography)	Stage 1 (0 – 30 days past due) – No significant increase in credit risk	Stage 2 (31-90 days past due) – Significant increase in credit risk but no impairment	Stage 3 (More than 90 days past due) – Impaired Assets	Grand Total
Kerala	20,090.12	2,585.82	464.28	23,140.22
Tamil Nadu	71,167.27	11,085.51	741.17	82,993.95
Andhra Pradesh	40,516.04	6,002.59	205.49	46,724.12
Karnataka	31,804.45	4,212.49	275.08	36,292.02
Others*	9,242.31	993.61	35.13	10,271.05
Total	1,72,820.19	24,880.02	1,721.15	1,99,421.36

As on 31/03/2020

(Rupees in lakhs)

State wise (Geography)	Stage 1 (0 – 30 days past due) – No significant increase in credit risk	Stage 2 (31-90 days past due) – Significant increase in credit risk but no impairment	Stage 3 (More than 90 days past due) – Impaired Assets	Grand Total
Kerala	20,975.96	451.96	595.44	22,023.36
Tamil Nadu	64,794.74	1,099.74	1,317.53	67,212.02
Andhra Pradesh	36,742.11	621.77	281.21	37,645.09
Karnataka	32,362.72	751.17	737.85	33,851.74
Others*	7,933.34	186.32	258.11	8,377.77
Total	1,62,808.87	3,110.96	3,190.14	1,69,109.97

* Others include Delhi, Haryana, Goa, Maharashtra, Pondicherry, Telangana, and Gujarat.

Collateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty.

The tables below disclose the maximum exposure to credit risk by class of financial asset. They also disclose the quantitative information of collateral held including surplus collateral (the extent to which the value of collateral held is greater than the exposure to which it relates), and the net exposure to credit risk based on Loan to Value at the point of origination of loans.

As at 31/03/2021

(Rupees in lakhs)

Particulars	Maximum exposure to credit risk	Cash	Securities	Bank and government guarantees	Household used Gold ornaments	Book debts, Inventory and other working capital items	Surplus collateral	Total Collateral	Net Exposure	Associated ECLs
ASSETS										
Financial assets										
Cash and cash equivalents	23,048.70	23,048.70	-	-	-	-	-	23,048.70	-	-

Bank Balance other than (a) above	7,909.27	7,909.27	-	-	-	-	-	7,909.27	-	-
Loans										
(a) Gold Loan	1,93,510.34	-	-	-	1,93,510.34	-	51,819.71	2,45,330.05	-	1,284.69
(b) Loan Against Property	761.69	-	761.69	-	-	-	620.81	1,382.50	-	144.86
(c) Micro finance	5,149.33	-	-	-	-	-	-	-	5,149.33	97.61
Investments	4.70	-	-	-	-	4.70	-	4.70	-	-
Other financial assets	2,149.78	-	-	-	-	-	-	-	2,149.78	-
Total	2,32,533.81	30,957.97	761.69	-	1,93,510.34	4.70	52,440.52	2,77,675.22	7,299.11	1,527.16

As at 31/03/2020

(Rupees in lakhs)

Particulars	Maximum exposure to credit risk	Cash	Securities	Bank and government guarantees	Household used Gold ornaments	Book debts, Inventory and other working capital items	surplus collateral	Total Collateral	Net Exposure	Associated ECLs
ASSETS										
Financial assets										
(a) Cash and cash equivalents	4,220.54	4,220.54	-	-	-	-	-	4,220.54	-	-
Bank Balance other than (a) above	5,981.13	5,981.13	-	-	-	-	-	5,981.13	-	-
Loans										
(a) Gold Loan	1,64,480.28	-	-	-	1,64,480.28	-	66,758.34	2,31,238.62	-	1495.22
(b) Loan Against Property	91.93	-	91.93	-	-	-	70.10	162.03	-	27.58
(c) Micro finance	4,537.76	-	-	-	-	-	-	-	4,537.76	72.64
Investments	3.24	-	-	-	-	3.24	-	3.24	-	-
Other financial assets	2,253.94	-	-	-	-	-	-	-	2,253.94	-
Total	1,81,568.82	10,201.67	91.93	-	1,64,480.28	3.24	66,828.44	2,41,605.56	6,791.70	1,595.44

2. Liquidity Risk

Our business is cash intensive and requires substantial funds, on an ongoing basis, to finance the loan portfolio and to grow it. Any disruption in the funding sources would have a material adverse effect on our liquidity and financial condition. The Company is proactively pursuing a system of identifying and accessing newer and cheaper sources of funds, to finance the AUM and to grow the business. There is a regular meeting of our asset liability management committee which reviews the liquidity position of the Company and arranges for sufficient funding in advance, for growth.

3. Market Risk

Market risk arises from the decline in the value of the pledged gold due to fluctuation in gold prices. This risk is in part mitigated by linking the LTV to the 30 day average price

of gold. This risk is further reduced because we appraise the gold jewellery and fund loans based solely on the weight of gold content without considering design cost, production cost or value of gemstones. In addition, we believe that the sentimental value of the gold jewellery to the customers may induce repayment and redemption of the pledged gold even if the value of the pledged gold falls below the value of the repayment amount. We believe that a prompt and effective recovery mechanism also helps us deal with this risk.

As a measure of combating the risk involved due to the volatility in gold prices, the Company has put in place a process to review the gold loan outstanding based on marking the gold loan outstanding to the market prices, Marked to Market (MTM), on a regular basis. When the amount of Gold Loan outstanding exceeds 95% of the market price, the company initiates steps

to intimate the borrower to close the loan account and or to pledge additional gold jewellery. In case of delay, immediate steps will be taken to recover the amount through auction, post intimation to the borrower.

Based on the risk assessed as per the MTM (Mark to Market) review, additional provision for the shortfall as against the gold loan outstanding of the customer, if any, is provided in the books of accounts.

4. Operational Risk

Operational risk broadly covers the risk of direct or indirect loss due to the failure of systems, people or processes, or due to external events. We have instituted a series of checks and balances and audit reviews to address the various operational risks. We have clearly defined appraisal methods to mitigate appraisal risk. Inaccurate appraisal of the pledged gold may lead to funds being advanced against low value or spurious gold. This risk is mitigated by our policies on internal control, generation of alert reports and additional requirements for high value loans. We also have detailed guidelines on movement of cash or gold to address custodial risk, which is the risk associated with the safety and security of our gold inventory. In addition, we have installed surveillance cameras across all our branches, and security guards are present at night at certain sensitive branches. We undertake significant employee profiling and background verification checks before hiring and continuously monitor their lifestyle changes. We are also maintaining insurance cover for our gold stock and cash with our branches, and cash in transit, against theft, loss or damage by fire as well as against natural calamities including earthquake and floods. As of March 31, 2021, our Company has a total insurance cover of ₹3,00,000 lakhs.

Rating Loans Days past due (DPD) Stages with regard to quality of assets

The Company considers a financial instrument as defaulted and therefore Stage 3 (credit-impaired) for Expected credit Loss (ECL) calculations in all cases when the borrower becomes 90 days past due on its contractual payments

Rating	Days Past Due (DPD)	Stages
High grade	Not yet due	Stage 1
High grade	1-30 DPD	Stage 1
Medium grade	31-60 DPD	Stage 2
Medium grade	61-90 DPD	Stage 2
Low grade	91 DPD or More	Stage 3

Exposure at Default (EAD)

The Exposure at Default is an estimate of the exposure at a future default date, considering expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

Portfolio	Stage 1	Stage2	Stage 3
Gold Loan	100.00%	100.00%	100.00%
Microfinance	41.08%	41.08%	41.08%
Loan Against Property	91.93%	91.93%	91.93%

Probability of Default (PD)

The Probability of Default is an estimate of the likelihood of default over a given time horizon. The table below shows the probability of default on different portfolios as computed by the Company based on the ECL method mentioned in Significant Accounting Policies

Portfolio	Stage 1	Stage2	Stage 3
Gold Loan	7.84%	7.84%	100.00%
Microfinance	0.92%	0.92%	100.00%
Loan Against Property	33.33%	33.33%	100.00%

Loss Given Default (LGD)

The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realization of any collateral.

Portfolio	Stage 1	Stage2	Stage 3
Gold Loan	7.35%	7.35%	7.35%
Microfinance	65.00%	65.00%	65.00%
Loan Against Property	50.00%	50.00%	50.00%

ECL rate is computed as the product of EAD, PD, and LGD

Liquidity risk and funding management

The table below summarises the maturity profile of the undiscounted cash flows of the Group's financial assets and liabilities as at March 31

Maturity pattern of assets and liabilities as on March 31, 2021
(Rupees in lakhs)

Particulars	As at March 31, 2021	Upto 1 month	Over 1 month & upto 2 months	Over 2 months & upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 year & upto 5 years	Over 5 years
Financial assets									
Cash and cash equivalents	23,048.70	22,573.61	-	475.09	-	-	-	-	-
Bank Balance other than (a) above	7,909.27	554.63	1,879.65	-	1,969.14	2,928.41	577.44	-	-
Receivables									
(I) Trade receivables									
(II) Other receivables									
Loans	1,97,894.20	69,651.74	12,874.34	5,233.07	95,845.02	10,660.51	3,074.22	110.11	445.19
Investments	4.70	-	-	-	-	-	-	-	4.70
Other financial assets	2,149.78	116.55	-	-	-	-	2,033.23	-	-
Total Financial Assets	2,31,006.65	92,896.53	14,753.99	5,708.16	97,814.16	13,588.92	5,684.89	110.11	449.89
Financial Liabilities									
Debt Securities	1,28,066.82	697.57	100.21	3,167.27	12,114.13	11,599.16	48,374.76	36,919.46	15,094.26
Borrowings (other than debt securities)	36,982.46	281.31	278.95	278.95	947.97	26,168.83	8,020.24	1,244.88	-238.67
Subordinated liabilities	33,802.18	46.40	-	-	-	14,705.41	16,049.18	1,592.61	1,408.58
Other financial liabilities	1,676.84	949.01	141.89	150.00	134.66	290.88	10.40	-	-
Total Financial Liabilities	2,00,528.30	1,974.29	521.05	3,596.22	13,196.76	52,764.28	72,454.58	39,756.95	16,264.17
Net Undiscounted Asset/ (Liabilities)	-	90,922.24	14,232.94	2,111.94	84,617.40	(39,175.36)	(66,769.69)	(39,646.84)	(15,814.28)

Maturity pattern of assets and liabilities as on March, 31, 2020
(Rupees in lakhs)

Particulars	As at March 31, 2020	Upto 1 month	Over 1 month & upto 2 months	Over 2 months & upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 year & upto 5 years	Over 5 years
Financial assets									
Cash and cash equivalents	4,220.54	4,113.14	107.40		-	-	-	-	-
Bank Balance other than (a) above	5,981.13	600.21	266.74		1,775.66	2,434.40	904.12		
Loans	1,67,514.53	30,860.69	14,238.26	13,525.37	79,450.99	25,478.52	3,960.70		
Investments	3.24								3.24
Other financial assets	2,253.94		40.23			2,213.71			
Total financial Assets	1,79,973.38	35,574.04	14,652.63	13,525.37	81,226.65	30,126.63	4,864.82	-	3.24
Financial Liabilities									
Debt Securities	87,619.46	438.57	12,706.01	308.76	5,062.93	16,438.29	34,124.38	18,540.53	-
Borrowings (other than debt securities)	36,537.95	25.95	1,123.94	829.70	1,711.57	32,789.29	22.86	22.86	11.78
Subordinated liabilities	28,690.84							28,435.65	255.19
Other financial liabilities	1,280.66	159.67	47.73	38.18	37.03	431.28	330.20	236.57	
Total Financial Liabilities	1,54,128.91	624.19	13,877.68	1,176.64	6,811.53	49,658.86	34,477.44	47,235.61	266.96
Net Undiscounted Asset/(Liabilities)		34,949.85	774.95	12,348.73	74,415.12	(19,532.23)	(29,612.62)	(47,235.61)	(263.72)

The table below shows the contractual expiry by maturity of the Company's contingent liabilities and commitments.

(Rupees in lakhs)

Particulars	Upto 1 month	Over 1 month & upto 2 months	Over 2 months & upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 year & upto 5 years	Over 5 years
AS at March 31, 2021								
Income tax demands						607.19		
AS at March 31, 2020								
Income tax demands						607.19		

Interest Rate Risk

The Company's exposure to changes in interest rates relate to the Company's outstanding floating rate liabilities. Most of the Company's outstanding liability is on fixed rate basis and hence not subject to interest rate risk. Some of the borrowings of the Company are linked to rate benchmarks hence subject to interest rate risk. The sensitivity of the Company's floating rate borrowings to change in interest rate (assuming all other variables constant) is given below:

(Rupees in Lakhs)

Particulars	1% increase	1% decrease
On Floating Rate Borrowings	241.64	(241.64)

8. 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 Ind AS 116 is not applicable to the company.

Lease payments for the assets taken on operating lease ₹ 1716.08 lakhs (Previous year ₹ 1754.15 lakhs) are recognized as rent paid in the Statement of Profit and loss

9. Maturity pattern of Assets and Liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled

(Rupees in lakhs)

Particulars	As at March 31, 2021	Within 12 months	After 12 months
ASSETS			
Financial assets			
Cash and cash equivalents	23,048.70	23,048.70	-
Bank Balance other than (a) above	7,909.27	7,331.83	577.44
Loans	1,97,894.20	1,94,264.68	3,629.52
Investments	4.70	-	4.70
Other financial assets	2,149.78	116.55	2,033.23
Non-financial Assets			
Current tax assets (Net)	1,820.54	-	1,820.54
Deferred tax assets (Net)	371.54	-	371.54
Property, Plant and Equipment	18,716.91	-	18,716.91
Other intangible assets	51.59	-	51.59

Other non-financial assets	380.82	380.82	-
Total Assets	2,52,348.05	2,25,142.58	27,205.47
LIABILITIES			
Financial Liabilities			
Debt Securities	1,28,066.82	27,678.34	1,00,388.48
Borrowings (other than debt securities)	36,982.46	27,956.01	9,026.45
Subordinated liabilities	33,802.18	14,751.81	19,050.37
Other financial liabilities	1,676.84	1,666.44	10.40
Non-financial Liabilities		-	-
Provisions	156.65	156.65	-
Other non-financial liabilities	329.75	329.75	-
Total Liabilities	2,01,014.70	72,539.00	1,28,475.70
Net Undiscounted Asset/(Liabilities)		1,52,603.58	(1,01,270.23)

Particulars	As at March 31, 2020	Within 12 months	After 12 months
ASSETS			
Financial assets			
Cash and cash equivalents	4,220.54	4,220.54	-
Bank Balance other than (a) above	5,981.13	5,077.01	904.12
Loans	1,67,514.53	1,63,553.83	3,960.70
Investments	3.24	-	3.24
Other financial assets	2,253.94	2,253.94	-
Non-financial Assets			
Current tax assets (Net)	1,795.13	-	1,795.13
Deferred tax assets (Net)	1,569.77	-	1,569.77
Property, Plant and Equipment	19,006.51	-	19,006.51
Other intangible assets	5.25	-	5.25
Other non-financial assets	214.69	214.69	-
Total Assets	2,02,564.73	1,75,320.01	27,244.72
LIABILITIES			
Financial Liabilities			
Debt Securities	87,619.46	34,954.56	52,664.90
Borrowings (other than debt securities)	36,537.95	36,480.45	57.50
Subordinated liabilities	28,690.84	-	28,690.84
Other financial liabilities	1,280.66	713.89	566.77
Non-financial Liabilities			
Provisions	142.12	142.12	-
Other non-financial liabilities	133.38	133.38	-
Total Liabilities	1,54,404.41	72,424.40	81,980.01
Net Undiscounted Asset/(Liabilities)		1,02,895.61	(54,735.29)

10. Transferred financial assets that are not derecognised in their entirety

The company had transferred certain pools of fixed rate loan receivables backed by underlying assets by entering in to securitization transactions with the Special Purpose Vehicle Trusts (“SPV Trust”) sponsored by Commercial banks for consideration received in cash at the inception of the transaction. The company, being Originator of these loan receivables, also acted as Servicer with a responsibility of collection of receivables from its borrowers and deposited the same in Collection and Payout Account maintained by the SPV Trust for making scheduled payouts to the investors in Pass Through Certificates (PTCs) issued by the SPV Trust. The above-mentioned transaction was completely closed during the financial year 2020-21. The following table provides a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities.

(Rupees in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Securitisations		
Carrying amount of transferred assets measured at amortised cost(Held as collateral)	Nil	3,342.00
Carrying amount of associated liabilities (Borrowings (other than debt securities)-measured at amortised cost)	Nil	3,529.55
Fair Value of assets	Nil	3,342.00
Fair value of associated liabilities	Nil	3,529.55
Net position at Fair Value	Nil	(187.55)

11. Change in liabilities arising from financing activities disclosed as per Ind AS 7, Cash flow statement

(Rupees in lakhs)

Particulars	As at 31 March 2020	Cash flows	Change in Fair Value	Others	As at 31 March 2021
Borrowings (other than debt securities)	36,537.95	687.41	-	(242.90)	36,982.46
Subordinated liabilities	28,690.84	5,111.34	-	-	33802.18
Debt Securities	87,619.46	40,989.60	-	(542.24)	1,28,066.82
Total	1,52,848.25	46,788.35	-	(785.14)	1,98,851.46

(Rupees in lakhs)

Particulars	As at 31 March 2019	Cash flows	Change in Fair Value	Others	As at 31 March 2020
Borrowings (other than debt securities)	35,519.83	1,024.01	-	(5.89)	36,537.95
Subordinated liabilities	26,630.56	2,060.28	-	-	28,690.84
Debt Securities	59,384.77	28,461.32	-	(226.63)	87,619.46
Total	1,21,535.16	31,545.61		(232.52)	1,52,848.25

12. List of statutory dues outstanding for a period of more than 6 months from the due date
(Rupees in Lakhs)

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

13. Contingent liabilities and other commitments
A. Contingent liability
(Rupees in Lakhs)

Nature of dues	As at 31.03.2021	As at 31.03.2020
Claims against the company not acknowledged as debts - Income tax demands	607.19	607.19

a. Claims against the company not acknowledged as debts
(Rupees in Lakhs)

Sl. No	A.Y	Section	Tax Demand	Total Tax Paid	Bank Guarantee given	Forum where dispute is pending
1	2013-14	u/s 154	199.84	39.96	159.88	Commissioner of Income-tax (Appeals), Kochi
2	2015-16	u/s 154	270.19	54.04	216.15	Commissioner of Income-tax (Appeals), Kochi
3	2016-17	u/s 156	170.38	34.08	136.30	Commissioner of Income-tax (Appeals), Kochi
4	2017-18	u/s 154	118.58	23.72	94.86	Commissioner of Income-tax (Appeals), Kochi
Total			758.99	151.80	607.19	Commissioner of Income-tax (Appeals), Kochi

B. Other Commitments

- Estimated amount of contracts remaining to be executed on capital accounts, net of advances - ₹ 108.50 lakhs (PY NIL)
- Commitments relating to loans sanctioned but undrawn - Nil (PY – Nil)

14. Disclosure regarding auditor's remuneration disclosed under finance cost

In addition to the auditor's remuneration shown under note 24 Other expenses, the Company has also incurred remuneration for audit and related statutory services performed in connection with public issue of non-convertible debentures. The amortized portion of the same is included in note 20 Finance Costs under interest on debt securities and unamortized portion is included in note 8 Debt securities under unamortized expense of public issue.

15. Ex-gratia claim

The Company had estimated an ex-gratia amount of ₹ 367.25 lakhs for the payment of difference between the compound interest and simple interest to the accounts of borrowers in specified loan accounts between March 1, 2020 and August 31, 2020 as per the eligibility criteria and other features as mentioned in the notification dated October 23, 2020 issued by Government of India, Ministry of Finance, Department of Financial Services. The Company had filed a claim with the State Bank of India for reimbursement of the said ex-gratia amount as specified in the notification and the same was received on March 31, 2021.

In accordance with the instructions in aforementioned RBI circular dated April 07, 2021, and the Indian Banks' Association ('IBA') advisory letter dated April 19, 2021, the Company has put in place a Board approved policy to refund/ adjust the interest on interest charged during the moratorium period of March 01, 2020 to August 31, 2020 to the eligible borrowers under the abovementioned circular and advisory. The Company has estimated the benefit to be extended to the eligible borrowers at ₹ 124.87 lakhs and created a liability / credited the Borrower's account towards the estimated interest relief and reduced the same from the interest income.

16. The Code on Social Security, 2020

The Code on Social Security, 2020 (the Code) has been enacted, which would impact contribution by the Company towards Provident Fund and Gratuity. The effective date from which changes are applicable is yet to be notified and the rules thereunder

are yet to be announced. The actual impact on account of this change will be evaluated and accounted for when notification becomes effective.

17. Guarantee for loans taken by others

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

18. Note on Covid-19

There has been no significant impact on the operations /financial position of the company on account of the Covid-19 pandemic, including the current second wave. In accordance with the Reserve Bank of India's guidelines relating to Covid -19 Regulatory package dated 27 March 2020 and 17 April, 2020, the Company has granted moratorium of six months on the payment of all instalments falling due between 1 March, 2020 and 31 August, 2020 to all eligible borrowers for the moratorium, as per its moratorium policy. The company has assessed the impact of the Covid-19 pandemic on its liquidity and ability to repay its obligations as and when they fall due. Based on the assessment of the management, the company will be able to pay its obligations as and when these become due in the foreseeable future. The Company would continue to focus on maintaining adequate capital and ensuring liquidity at all points in time. The company considers that the provisions held by the company is adequate.

19. Disclosure under the MSME Act 2006

Based on the information available with the Company and has been relied upon by the auditors, none of the suppliers have confirmed to be registered under "The Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006". Accordingly, no disclosures relating to principal amounts unpaid as at the period ended March 31, 2021 together with interest paid /payable are required to be furnished

20. Segment Reporting

The Company is primarily engaged in the business of financing and there are no separate reportable segments identified as per the Ind AS 108 - Segment Reporting

21. Previous year figures

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

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 17th February, 2020)

Particulars			(Rupees in Lakhs)
Liabilities side		Amount outstanding	Amount Overdue
1	Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid : Gross Amount		
(a)	Debentures : Secured	1,16,851.07	162.24**
	: Unsecured (other than falling within the meaning of public deposits*)	11,919.86	-
(b)	Deferred Credits	-	-
(c)	Term Loans	13,061.23	-
(d)	Inter-corporate loans and borrowing	-	-
(e)	Commercial Paper	-	-
(f)	Public Deposits*	-	-
(g)	Other Loans (specify nature)	-	-
	Subordinated debt	33,802.18	-
	Borrowings from banks	24,164.13	-
	* 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		
	Assets side	Amount outstanding	
3	Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :		
(a)	Secured		1,94,272.03
(b)	Unsecured		5149.33

4	Break up of Leased Assets and stock on hire and other assets counting towards AFC activities		
	(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 :	NA
		(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		
	Current Investments		
	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)	
	Long Term investments		
	1	Quoted	
		(i) Share	
		(a) Equity	4.70
		(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	669.76	-	669.76
2	Other than related parties	1,93,602.27	5149.33	1,98,751.60
	Less: provisions	1,429.55	97.61	1,527.16
	Total	1,92,842.48	5,051.72	1,97,894.20
7	Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :			
	Please see note 3 below			
	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	4.70		4.70
	Total	4.70		4.70

8 Other information		
	Particulars	Amount
(i)	Gross Non-Performing Assets	
	(a) Related parties	
	(b) Other than related parties	1,721.16
(ii)	Net Non-Performing Assets	
	(a) Related parties	-
	(b) Other than related parties	1,497.16
(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:

(Rupees In lakhs)

Particulars	Gross loan outstanding	Provision for assets	Net loan outstanding
(i) Secured Loans			
A) Gold loans			
a) Standard Assets*	1,92,201.47	1,188.47	1,91,013.00
b) Sub-Standard Assets	571.82	42.03	529.79
c) Doubtful Assets	716.40	52.66	663.74
d) Loss Assets	20.65	1.52	19.13
Total-A	1,93,510.34	1,284.68	1,92,225.66
B) Other loans			
a) Standard Assets*	669.76	102.61	567.15
b) Sub-standard Assets			
c) Doubtful Assets	91.93	42.26	49.67
d) Loss Assets	-	-	-
Total-B	761.69	144.87	616.82
Total-(A + B)	1,94,272.03	1,429.55	1,92,842.48
(ii) Unsecured loans			
A) Other loans			
a) Standard Assets*	4,828.97	12.07	4,816.90
b) Sub-standard Assets	250.48	66.88	183.60
c) Doubtful Assets	69.88	18.66	51.22
d) Loss Assets	-	-	-
Total-A	5,149.33	97.61	5,051.72
Total (i + ii)	1,99,421.36	1,527.16	1,97,894.20

*Includes interest receivable

3. Provision for diminution in value of investment

(Rupees In lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020
Provision for diminution in value of investment		

4. Loan to Value Ratio

(Rupees In lakhs)

Particulars	As at 31.03.2021			As at 31.03.2020		
	Outstanding loan amount	Value of the security	%	Outstanding loan amount	Value of the security	%
Gold loan*	1,93,510.34	2,45,330.05	78.88%	1,64,480.28	2,31,238.62	71.13%

*includes interest receivable.

LTV disclosed above is calculated applying the market rate of Gold as on 31.03.2021. The maximum Loan to Value does not exceed the limit stipulated by the Reserve Bank of India under any circumstances at the time of disbursement.

5. Disclosure with regards to Auction

(Rupees

In lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020
1. No. of gold loan accounts auctioned	9,138	12,450
2. Principal amount outstanding as on the date of auction (in Lakhs)	3,725.58	3,410.23
3. Interest amount outstanding as on the date of auction (in Lakhs)	806.10	1,264.52
Total(2+3)	4,531.68	4,674.75
4. Actual value fetched (in Lakhs)	4,737.35	5,269.20

No sister concerns participated in the auctions during the year ended 31/03/2021 and 31/03/2020

6. Disclosure as per the circular no DOR.No.BP.BC.63/21.04.048/2019-20 dated April 17, 2020 issued by Reserve Bank of India on "COVID 19 regulatory package - Asset Classification and provisioning"

Particulars	Remarks
Amounts in SMA/overdue categories where moratorium/deferment was extended*	Rs.50.37 lakhs
Amounts where asset classification benefit is extended	No benefit is extended
Additional provision created @ 5%	Not applicable
Provision adjusted against the respective accounting periods for slippages and residual provision	Not applicable

*We have extended moratorium benefit to gold loan customers amounting to ₹ 1,19,524.25 lakhs, of which ₹1,19,473.88 lakhs were closed during the financial year 2020-21 and balance outstanding as on 31st March, 2021 is ₹50.37 lakhs.

7. Disclosures relating to Frauds reported during the financial year

A. Frauds reported in FMR

(Rupees In lakhs)

Sl. No	Branch	Date Of De-tection / Date Of Reporting To RBI	Amount	Modus Operandi & Action Taken	Recov-ery	Amount Written Off	Provision	Remarks
1	TML-TIRU-NELVELI	16/03/2021 31/03/2021	6.25	Members of a gang pledged manufactured thickly coated spurious ornaments in Tirunelveli branch	0.95	-	5.30	Complaint lodged and acknowledgement obtained.
2	KER- PANDA-LAM	01/02/2021 12/02/2021	3.55	Members of a gang pledged manufactured thickly coated spurious ornaments reported in following branches 1) Pandalam - 3 accounts - Rs.241800/- 2) Punnakkad- 1 account- Rs.59000/- 3) Thekkemala- I account- Rs.55000/-	-	-	3.55	Complaint lodged and Acknowledgement obtained
3	TML- VI-RALIMALAI	06/02/2020 04/03/2021	22.16	Custodians were involved in misappropriation by cheating customers using dummy manual receipts and pledging ornaments at an enhanced amount and changing the customer accounts, pledging in different Customers name and other activities	19.64	2.52	-	Closed as on 31/03/2021

B. Frauds amounting to less than Rs. One lakh

Sl no	Branch	Customer Name	Loan Date	Irregu-larity	Amount of Irregularity	Loan Amount	GL Status
1	KER-ALLEPPEY	SUDHIRAJ P.S	25-04-2020	Spurious	3,000.00	3,000.00	Closed
2	APR-SRI KALAHASTHI	GORJALA SUBBARAYULU	15-06-2020	Spurious	4,800.00	38,400.00	Closed
3	KAR-HAVERI	NIRMALA MALLESHAPPA BENCHALLI	02-07-2020	Spurious	974.00	87,000.00	Closed
4	KAR-RAMANAGARA	FARHANA KOUSER W/O MOHAMMED IQBAL	13-07-2020	Spurious	5,525.00	13,000.00	Closed
5	TML-SALEM JUNCTION	MAGUDESWARI S	14-07-2020	Spurious	3,282.00	27,900.00	Closed
6	TML-KEERAMANGALAM	VANANGAMUDI V	03-08-2020	Spurious	6,106.00	29,000.00	Closed
7	APR-MULAGU ROAD	SYED ATEEQ	05-08-2020	Spurious	4,785.00	31,100.00	Closed
8	TML-ALANGUDI	KATHIRESAN	07-08-2020	Spurious	2,418.00	19,000.00	Closed
9	KAR-ARSIKERE	PRADEEP NAIK	12-08-2020	Spurious	1,006.00	52,000.00	closed
10	KAR-HAVERI	NAGAPPA SHIDAPPA NEELAPPANAVAR	18-08-2020	Spurious	3,000.00	20,000.00	closed
11	APR-KUPPAM TOWN	AMZADH KHAN A	21-08-2020	Spurious	5,607.00	99,999.00	closed
12	APR-KUPPAM TOWN	GANESH M	29-08-2020	Spurious	3,373.00	76,900.00	closed
13	TML-UKKADAM	ASKARALI M	22-09-2020	Spurious	21,331.00	40,000.00	closed
14	TML-KARIAPATTI	BOOVATHI	25-09-2020	Spurious	7,000.00	28,000.00	closed
15	APR-GUDUR	CHEMUDUGUNTA SRINIVASULU	29-09-2020	Spurious	3,524.00	58,500.00	closed
16	DLH-NAJAFGARH	SUMAN	20-10-2020	Spurious	6,615.00	31,000.00	closed
17	TML-ARANTHANGI I	PARTHIBAN	21-10-2020	Spurious	6,978.00	82,000.00	closed

18	TML-KALAKAD	DURAI PANDIAN.S S/O SHANMUGAPERUMAL	22-10-2020	Spurious	4,885.00	31,400.00	closed
19	DLH-UTTAM NAGAR	MEENU BALA	11-11-2020	Spurious	6,900.00	19,741.00	closed
20	APR-KAKINADA	ESWARA RAO MARNI	21-11-2020	Spurious	20,928.00	30,000.00	closed
21	APR-PUNGANUR	SUBRAMANYAM VADDI	30-11-2020	Spurious	4,154.00	13,500.00	Closed
22	KER-PATTIKADU	REJI JOHN	26-12-2020	Spurious	59,990.00	60,000.00	Closed
23	KAR-HEBBAL BANGALORE	CHRISHY RAJ	31-12-2020	Spurious	4,067.00	61,000.00	Closed
24	KAR-UTTARAHALLI	BALAJI	31-12-2020	Spurious	19,040.00	44,200.00	Closed
25	KAR-VINOBBHANAGAR	D.G SUDHA	20-01-2021	Spurious	3,753.00	58,000.00	Closed
26	APR-HIMAYAT NAGAR	NAKKA SAIKUMAR	10-02-2021	Spurious	41,662.00	80,000.00	Closed
27	APR-RAMANTHPUR	ANITHA.J	15-02-2021	Spurious	49,995.00	80,000.00	Closed
28	KAR-KORATEGERE	K V RAGHAVEDRA	16-02-2021	Spurious	18,332.00	41,000.00	Closed
29	APR-NEHRU BAZAAR	NANDYALA SIVAKRISHNA	17-02-2021	Spurious	82,992.00	83,000.00	Closed
30	KAR-KORATEGERE	RAMESH BABU M S	24-02-2021	Spurious	45,584.00	70,000.00	Closed
31	APR-KAKINADA	ESWARA RAO MARNI	01-03-2021	Spurious	52,640.00	65,800.00	Closed
32	KAR-KAMMANAHALLI	MOTHI LAL RAWAT	06-03-2021	Spurious	41,615.00	70,000.00	Closed

8. Disclosure as per Annexure 4 of Non-Banking Financial Companies-Corporate Governance (Reserve Bank) Directions, 2015 (Notification No. DNBR.019/CGM (CDS)-2015 dated April 10, 2015 as updated on June 03, 2015

8.1 CAPITAL

(Rupees In lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020
1. CRAR (%)	25.75%	29.65%
2. CRAR- Tier I Capital (%)	22.38%	24.57%
3. CRAR- Tier II Capital (%)	3.37%	5.08%
4. Amount of subordinated debt raised as tier II Capital	6,042.56	8,806.84
5. Amount raised by issue of Perpetual Debt Instrument	-	-

8.2 Investments

(Rupees In lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020
(1) Value of Investments		
(i) Gross Value of Investments		
(a) In India	4.70	3.24
(b) Outside India,	-	-
(ii) Provisions for Depreciation		
(a) In India	-	-
(b) Outside India,	-	-
(iii) Net Value of Investments		
(a) In India	4.70	3.24
(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	-	-

8.3 Derivatives

A. Forward Rate Agreement / Interest Rate Swap

Particulars	As at 31.03.2021	As at 31.03.2020
(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

- **Qualitative Disclosure**
Company does not have exposure to derivatives
- **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	-	-

8.4 Disclosures relating to Securitisation

A. Disclosures relating to Securitisation

(Rupees In lakhs)

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 (Over Collateralization)	

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	2020-21	2019-20
(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 Direct Assignment transactions undertaken by NBFC:

(Rupees In lakhs)

Particulars	2020-21	2019-20
(i) No. of accounts	6,921	59,599
(ii) Aggregate value (net of provisions) of accounts sold	3,161.58	32,309.98
(iii) Aggregate consideration	2,845.00	29,017.70
(iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v) Aggregate gain /(loss) over net book value	31.74	788.68

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

E. Details of non-performing financial assets purchased

Particulars	2020-21	2019-20
(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	-	-

F. Details of non-performing financial assets sold

Particulars	2020-21	2019-20
(1) No. of accounts sold	-	-
(2) Aggregate outstanding	-	-
(3) Aggregate consideration received	-	-

8.5 Asset Liability Management

Maturity pattern of certain items of Assets and Liabilities

(Rupees In lakhs)

Particulars	0 to 7 days	8 to 14 days	15 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*	51,123.83	5,338.43	14,716.63	12,874.34	5,233.07	95,845.02	10,660.51	3,074.22	110.11	445.20	1,99,421.36
Investments	-	-	-	-	-	-	-	-	-	4.70	4.70
Borrowings	743.97	-	281.31	379.16	3,446.22	13,062.10	52,473.40	72,444.18	39,756.95	17,373.37	1,99,960.66
Foreign Currency assets	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-	-	-

*Includes interest receivable.

8.6 Exposures
A. Exposure to Real Estate Sector

(Rupees In lakhs)

Category	As at 31.03.2021	As at 31.03.2020
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	91.93	91.93
(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	669.76	-

(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
a. Residential	-	-
b. Commercial Real Estate	-	-
Total Exposure to Real Estate Sector	761.69	91.93

B. Exposure to Capital Market

(Rupees In lakhs)

Category	As at 31.03.2021	As at 31.03.2020
(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;	4.70	3.24
(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	4.70	3.24

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. 5,149.33 lakhs given to group of women against their joint liability.

8.7 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 and particulars of the related party	Relationship with the company
Nizzy Mathew (Whole-time Director)	Key managerial personnel(KMP)
Mathew Muthoottu (Managing Director)	
P.E. Mathai (CEO)^	
Ann Mary George, ACA (CFO)	
Smitha K S, ACS (CS)	
M S Rajagopal	Independent director
Thomas Cherian*	
Maliakal Jose Paul	
John V George^^	Additional Director
Rudran Puthukulangara**	Additional Independent Director
Roy M Mathew	Relatives of Key Managerial Personnel / Director
Mini Muthoottu Nidhi Kerala Ltd	Entity in which KMP has significant influence
MM Nirman and Real Estate Pvt Ltd	
Muthoottu Mini Hotels Pvt Ltd	
Muthottu Mini Theatres Private Limited	
Mini Muthoottu Credit India Private Limited	
Kandamath Cine Enterprises Private Limited	
Kozhencherry MM Financial Services Pvt Ltd	
Miilanche	

*Ceases to be a director from September 30,2020

**Ceases to be a director from September 26,2020

^With effect from January 01, 2021

^^With effect from March 24, 2021

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

(Rupees In lakhs)

Particulars	Key Managerial Personnel (KMP)	Director	Relatives of KMP / Director	Entity in which KMP has significant influence
Salary & Allowances	303.14	-	-	-
Sitting fees	-	8.55	-	-
Rent/ Maintenance charges	4.55	-	3.25	7.75
Rent Received	-	-	-	17.10

Debenture/subdebt interest	4.58	-	0.07	-
Debenture redeemed	9.50	-	-	-
Debenture holdings*	41.10	-	-	-
Subdebt holdings	4.50	-	1.12	-
Loan Against Property	-	-	1,150.00	675.00
Interest on Loan against property	-	-	67.08	15.72
Principal repayment of Loan against property	-	-	1,150.00	5.24
Payment towards masks (CSR)	-	-	-	29.73
Diary printing	-	-	-	11.97
Advance for property	1,150.00**	-	-	

*Purchased from secondary market.

**Nil as on 31.03.2021

Charge created on assets of related party

The following entities have extended collateral security and corporate guarantee for the borrowings from banks

1. Muthoottu Mini Theatres Private Limited;
2. Muthoottu Mini Hotels Private Limited;
3. Mini Muthoottu Credit India Private Limited; and
4. Kandamath Cine Enterprises Private Limited.

The following related parties have extended personal guarantee for the borrowings from banks

1. Roy M Mathew
2. Nizzy Mathew
3. Mathew Muthoottu

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	From IND BBB-/Stable Upgraded
India Rating & Research Pvt Ltd	Bank Loan	IND BBB/Stable	From IND BBB-/Stable Upgraded
CARE	Non-convertible Debentures	CARE BBB/Stable	From CARE BBB-/Stable Upgraded

E. Remuneration to Non-Executive directors

(Rupees In lakhs)

Particulars	2020-21	2019-20
Sitting fees	8.55	4.45
Travel expenses	-	0.01

F. Net Profit or Loss for the period, prior period items and changes in accounting policies
(Rupees In lakhs)

Particulars	2020-21
Total Comprehensive Income	3,173.03
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.

8.8 Additional Disclosures
A. Provisions and Contingencie
(Rupees In lakhs)

Particulars	2020-21	2019-20
Break up of 'Provisions and Contingencies shown under the head Expenditure in Profit and Loss Account		
Provisions for depreciation on Investment	-	-
Provision towards NPA	(707.76)	(158.71)
Provision made towards Income tax	928.10	583.27
Provision for gratuity	47.57	45.77
Provision for Standard Assets	639.48	71.57

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	Rupees In lakhs
Total Advances to twenty largest borrowers (Rs.in lakhs)	1,187.24
Percentage of Advances to twenty largest borrowers to Total Advances of the applicable NBFC	0.60%

(iii) Concentration of Exposures

Particulars	Rupees In lakhs
Total Exposure to twenty largest borrowers/customers	1,187.24
Percentage of Exposure to twenty largest borrowers/customers to Total exposure of the NBFC borrowers/customers	0.60%

(iv) Concentration of NPA

Particulars	Rupees In lakhs
Total Exposure to top four NPA Accounts	123.71

(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	6.22%
Auto loans	-
Other personal loans	0.72%

D. Movement of NPAs
(Rupees In lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020
(i) Net NPAs to Net Advances (%)	0.75%	1.34%
(ii) Movement of NPAs (Gross)		
(a) Opening balance	3,190.14	2,987.43
(b) Additions during the year	858.32	2252.93
(c) Reductions during the year	2,327.30	2050.22
(d) Closing balance	1,721.16	3,190.14
(iii) Movement of Net NPAs		
(a) Opening balance	2,258.38	1,896.96
(b) Additions during the year	726.95	1763.10
(c) Reductions during the year	1,488.17	1401.68
(d) Closing balance	1,497.16	2,258.38
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	931.76	1,090.47
(b) Provisions made during the year	131.37	489.83
(c) Write-off / write-back of excess provisions	839.13	648.54
(d) Closing balance	224.00	931.76

E. Off-Balance Sheet SPVs sponsored

Company has not sponsored any off Balance Sheet SPVs

F. Disclosure of Complaints

Customer complaints

Particulars	2020-21
No. of complaints pending at the beginning of the year	0
No. of complaints received during the year	9
No. of complaints redressed during the year	9
No. of complaints pending at the end of the year	0

9. Disclosure as per the circular no RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 issued by Reserve Bank of India on Implementation of Indian Accounting Standards

(Rupees In lakhs)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
Performing Assets						
Standard	Stage 1	1,72,820.18	1,117.34	1,71,702.84	691.62	425.72
	Stage 2	24,880.02	185.82	24,694.20	99.52	86.30
Subtotal		1,97,700.20	1,303.16	1,96,397.04	791.14	512.02
Non-Performing Assets (NPA)						
Substandard	Stage 3	822.30	108.90	713.40	199.53	(90.63)
Doubtful - up to 1 year	Stage 3	327.48	33.87	293.61	106.01	(72.14)
1 to 3 years	Stage 3	219.18	55.34	163.84	79.22	(23.88)
More than 3 years	Stage 3	331.55	24.37	307.18	165.77	(141.40)
Subtotal for doubtful		878.21	113.58	764.63	351.00	(237.42)
Loss	Stage 3	20.65	1.52	19.13	20.65	(19.13)
Subtotal for NPA		1,721.16	224.00	1,497.16	571.18	(347.18)
	Stage 1	1,72,820.18	1,117.34	1,71,702.84	691.62	425.72
	Stage 2	24,880.02	185.82	24,694.20	99.52	86.30
	Stage 3	1,721.16	224.00	1,497.16	571.18	(347.18)
	Total	1,99,421.36	1,527.16	1,97,894.20	1,362.32	164.84

10. Disclosure in terms of RBI/2019-20/88 DOR.NBFC (PD) CC. No. 102/03.10.001/2019-20 dated 04 November, 2019.

10.1 Funding Concentration based on significant counterparty (both deposits and borrowings)

Sr No.	Number of Significant Counter Parties*	Amount (in lakhs)	%of Total deposits	% of Total borrowings
	NIL	NIL	NA	NIL

*A "Significant counterparty" is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC's total liabilities.

NBFC's Total liabilities has been computed as Total assets less Equity share capital less Reserves and surplus less Gratuity provision.

10.2 Top 20 large deposits

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

10.3 Top 10 borrowings (amount in lakhs and % of total borrowings)

(Rupees in lakhs)

Amount	% of Total borrowings
36,918.81	18.57%

10.4 Funding Concentration based on significant instrument/product#

(Rupees in lakhs)

Sr No	Name of the instrument/product	Amount	% of Total borrowings
1	Secured Public Issue NCD	1,14,891.61	57.78%
2	Unsecured Public Issue NCD	11,707.79	5.89%
3	Subordinated debt	33,802.18	17.00%
	Total	1,60,401.58	80.67%

A "significant instrument/product" is defined as a single instrument/product of group of similar instruments/products which in aggregate amount to more than 1% of the NBFC's total liabilities

10.5 Stock Ratio

Sr. No.	Stock Ratio	%
1	Commercial papers as a % of total assets	0%
2	Commercial papers as a % total liabilities	0%
3	Non-convertible debentures (original maturity of less than one year) as a % of total assets	0%
4	Non-convertible debentures (original maturity of less than one year) as a % total liabilities	0%
5	Other short-term liabilities as a % of total assets	0.79%
6	Other short-term liabilities as a % total liabilities	0.99%

10.6 Institutional set-up for liquidity risk management

The Company has constituted Risk Management Committee to assist the Board of Directors in the execution of its risk management accountabilities. The Committee provide the Board of Directors an independent and objective oversight view of the information to review Company's financial risk activities and provide an assurance to the Board of Directors that the Company has implemented an effective ongoing process to identify the risk, to measure the potential impact and proactively manage these risks and to decide the tolerance for the risk.





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