

A N N U A L   R E P O R T   2 0 2 2 - 2 0 2 3









## M. MATHEW MUTHOOTTU

**KOZHENCHERRY**

(Guiding Light Of Muthoottu)

### DIRECTORS

MRS. NIZZY MATHEW

MR. MATHEW MUTHOOTTU

MR. MALIAKAL JOSE PAUL

MR. M S RAJAGOPAL

MR. MANOJ KUMAR R

CHAIRMAN &

WHOLE TIME DIRECTOR

MANAGING DIRECTOR

INDEPENDENT DIRECTOR

INDEPENDENT DIRECTOR

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

RAMDAS & VENUGOPAL,

CHARTERED ACCOUNTANTS

NO. 7A, GREEN PARK, NEAR DAYA HOSPITAL,

THIRWAMBADY P.O., THRISSUR 682 022, KERALA

### 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)

### MITCON CREDITIA TRUSTEESHIP

### SERVICES LIMITED

1402/1403, B-WING, 14TH FLOOR, DALAMAL TOWERS,  
FREE PRESS JOURNAL MARG, 211, NARIMAN POINT,  
MUMBAI – 400021

### VISTRA ITCL (INDIA) LIMITED

THE IL&FS FINANCIAL CENTRE, PLOT NO.C-22  
G-BLOCK, BANDRA KURLA COMPLEX,  
BANDRA (EAST), MUMBAI-400051

### BANKERS

1. State Bank of India

2. Bank of Maharashtra

3. HDFC Bank

4. Canara Bank

5. CSB Bank

6. Bank of Baroda

7. Karur Vysya Bank

8. Indian Bank

9. Punjab & Sind Bank

10. Utkarsh Small Finance  
Bank

11. Uco Bank

12. IDFC Bank

13. Karnataka Bank

14. Bandhan Bank

15. Tata Capital (NBFC)

16. Hinduja Leyland Finance  
(NBFC)

17. South Indian Bank

18. Dhanlaxmi Bank

19. Indusind Bank

20. Union Bank of India

21. DCB Bank

22. IDBI Bank

23. Yes Bank

24. Punjab National Bank

### REGISTERED & CORPORATE OFFICE

65/623 K, MUTHOOTTU ROYAL TOWERS,  
KALOOR, KOCHI, ERNAKULAM,  
KERALA-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 Fifth Annual Report on the business and operations of your Company together with the audited accounts for the Financial Year ended March 31, 2023.

## FINANCIAL SUMMARY

Rs. In lakhs

	2022-23	2021-22
Total Revenue	54,443.96	43,024.59
Total Expenditure	46,266.74	37,082.12
<b>Profit before Tax</b>	<b>8,177.22</b>	<b>5,942.47</b>
Add: Prior Period items (Net)		
Tax Expense	-1,448.77	-1,313.07
<b>Profit for the period</b>	<b>6,728.45</b>	<b>4,629.40</b>
<b>Other Comprehensive Income</b>	<b>20.50</b>	<b>-192.59</b>
<b>Total comprehensive income</b>	<b>6,748.95</b>	<b>4,436.81</b>
Surplus appropriated as follows:		
- Transfer to Special Reserve	-1,349.79	-925.88
- Transfer from/(to) Debenture Redemption Reserve	0.00	0.00
- Transfer to impairment reserve	-167.95	0.00
Balance brought forward from previous year	16,322.91	12,811.98
<b>Surplus Carried Forward</b>	<b>21,554.12</b>	<b>16,322.91</b>
Gross NPA (%)	0.43%	0.61%
Net NPA (%)	0.37%	0.52%
CRAR (%)	22.81%	21.65%
CRAR- Tier I Capital (%)	15.99%	18.18%
CRAR- Tier II Capital (%)	6.82%	3.47%

### Transfer to Statutory Reserves

An amount of Rs. 1349.79 lakhs is transferred to the Special Reserve Fund for FY 2022-23. The statutory reserve balance as at March 31, 2023 is Rs.7650.35 lakhs.

### State of Affairs of the Company

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, Uttar Pradesh and Goa and the union territory of Puducherry. We also have microfinance loan segment wherein we provide unsecured loans to joint liability group of women customers (minimum of 5 persons) who require funds to carry out their business activities through few of our branches in the state of Kerala. Our Gold Loan portfolio as on March 31 2023, March 31 2022 and March 31 2021 comprises of 503974, 447042, and 386110 Gold Loan accounts respectively, aggregating to ₹ 3,04,876.78 lakhs, ₹2,42,697.48 lakhs, and ₹1,93,510.34 lakhs which is 93 %, 97 % and 97 % of our total loans and advances as on such specific dates. As on March 31, 2023

we had a network of 861 branches spread in the states of Kerala, Tamil Nadu, Karnataka, Andhra Pradesh, Telangana, Haryana, Maharashtra, Gujarat, Delhi, Uttar Pradesh, Goa and the union territory of Puducherry and we employ 4020 persons in our business operations.

### Change in the nature of business

During the year, there was no change in the nature of business of the Company

### Details of Directors or Key Managerial Personnel appointed / resigned

No Directors/ KMP were appointed/resigned during the financial year except change in designation of Mr.Manojkumar R from:

- Additional Director to Non-Executive Director by the members of the company at the AGM held on 30th September 2022 and
- Non-Executive Director to Independent Director (Effective from 01-04-2023) by the members of the company at the EGM held on 24th March 2023.



## Dividend

No dividend is being declared by the company.

## Raising of Additional Capital

Company has not allotted any shares during the financial year.

## Capital Adequacy

Your Company is well capitalized and has a capital adequacy ratio (Capital to risk weighted asset ratio- CRAR) of 22.81% as on March 31, 2023. 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 2022-23.

### b) Debentures

#### • Private Placement of Debentures

The Company has not made any Private placement of debentures during the FY 2022-23.

#### • Public Issue of Secured and Unsecured NCDs

During the period under review, your Company has successfully completed one public issue of Secured Non-Convertible Debenture and has raised Rs.243.27 Crores.

### c) Bank Finance:

Bank Finance remains one of the important sources of funding for your Company. During the year we have added 6 new banks and 2 NBFC's who have granted us credit facilities amounting 390 crores and enhancements/fresh facilities from existing banks who have sanctioned facilities amounting Rs.490 crores to the Company. As at the end of the financial year there were 22 Banks and 2 NBFC's continuing their support to your Company with total sanctioned limits amounting to 1720 crores.

During the financial year, with more number of banks sanctioning credit facilities to the Company the borrowing limits have also been enhanced to 5000 crores by the resolution passed by the members at an extra ordinary general meeting held on 14th December, 2022.

### d) Subordinated debt

During the FY 2022-23, the Company has raised an amount of 150.47 crores by issuance of subordinated debt

## Non Acceptance of Deposits

Your Company is classified as a non-deposit taking Company (NBFC-ND-SI). The Company has not accepted any deposit during the year under review. Hence, the provisions /disclosures under Chapter V of the Companies

Act 2013 (Acceptance of Deposits by Companies) are not applicable.

## Listing

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

## Debenture Trustees

### MITCON CREDENTIAL TRUSTEESHIP SERVICES LIMITED

1402/1403, B-WING, 14TH FLOOR,  
DALAMAL TOWERS, FREE PRESS  
JOURNAL MARG, 211,  
NARIMAN POINT,  
MUMBAI – 400021

Contact No- 022 2282 8200

Email- trusteeinvestors@mitconindia.com

### VISTRA ITCL (INDIA) LIMITED

THE IL&FS FINANCIAL CENTRE, PLOT NO.C-22  
G-BLOCK, BANDRA KURLA COMPLEX,  
BANDRA (EAST), MUMBAI-400051

Contact No- 022 2659 3333

Email- itclcomplianceofficer@vistra.com

## 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, your Company 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. However as required the Company has maintained Debenture Redemption Fund amounting to 41.17 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 2023-24.

## Registered Office:

The registered office of the Company is located at 65/623K, Muthoottu Royal Towers, Kaloor, Kochi, Ernakulam, Kerala-682017.

## Ratings assigned by Credit Rating Agencies & Migration of Ratings during the year

The Credit ratings for the Company are as detailed hereunder:

Credit Rating Agency	Instrument	Rating as at 31.03.2023	Remarks
CARE	Non-Convertible Debentures and Bank Loans	CARE A-; Stable For Bank Loans and NCD	Upgraded from CARE BBB+:Stable to CARE A-;Stable vide press release dated 01-07-2022
India Ratings & Research	Bank loan and Non-Convertible Debentures	IND A-/Stable For Bank Loans and NCD	Upgraded from IND BBB+/Stable to IND A-/Stable vide press release dated 16-08-2022

### Subsidiaries, Joint ventures and Associate companies

The Company has no subsidiary, associates and joint venture companies and hence no company has become or ceased to be your Company's subsidiary / joint venture / associate company during the year.

### Highlights of performance of Subsidiary, Associates and Joint Venture Companies.

The Board's report is prepared based on the stand alone financial statements of the Company and that the Company has no subsidiary, associates and joint venture companies.

### 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.

### Evaluation of Directors, Board and Committees

Pursuant to the provisions of the Act and Rules made thereunder, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of the Committees of the Board. The Board performance was evaluated based on the feedback received from each Director about their views on the performance of the Board covering various criteria such as degree of fulfilment of key responsibilities, Board structure and composition, establishment and delineation of responsibilities to various Committees, effectiveness of Board processes, information and functioning, Board culture and quality of relationship between the Board and the Management etc. Feedback was also taken from every director on his assessment of the performance of each of the other Directors. The Independent Directors shared their views amongst themselves evaluating the performance of the non-independent directors and performance of the Board as a whole. The Nomination and Remuneration Committee has also reviewed the performance of the individual directors based on their knowledge, level of preparation and effective participation in meetings, understanding of their roles as directors etc

### Corporate Social Responsibility Policy & Initiatives

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 92.71 lakhs has been spent towards CSR in the current financial year. The total amount to be spent for the Financial Year 2022-23, including the activities earmarked pertaining to the FY 2021-22 is 122.05 lakhs and the amounts unspent is identified to be spent in approved projects amounting to 29.34 lakhs have been deposited in a separate account, to be utilized in the approved projects during the ensuing Financial Year.

The detailed policy is displayed on the website of the Company at: [https://muthoottumini.com/wp-content/uploads/2022/11/CSR\\_policy.pdf](https://muthoottumini.com/wp-content/uploads/2022/11/CSR_policy.pdf)

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

### CORPORATE GOVERNANCE REPORT

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 last reviewed the corporate governance policy on 17th May 2023. 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 three Independent Directors as detailed below:

Category	Name of Directors
<b>Executive Director</b>	<b>Mathew Muthoottu</b> <i>Managing Director</i>
	<b>Nizzy Mathew</b> <i>Chairperson</i>



Category	Name of Directors
<b>Non-Executive Director</b>	<b>Manoj Kumar R</b> <i>Independent Director*</i>
	<b>Jose Paul Maliakal</b> <i>Independent Director</i>
	<b>Rajagopal M.S</b> <i>Independent Director</i>

\*effective from 01-04-2023

#### Assessment of independence & Fit and proper criteria.

While considering the appointment of an Independent Director, the Nomination committee and the board ensures that the incumbent satisfies the test of independence as provided under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligation and Disclosure Requirements) 2015 and also reviews the maintenance of their independence during their tenure on the board.

#### 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 herself for re-appointment.

#### Change in Board of Directors and KMP (During 2022-23)

Name of Director & Designation	Date of Change	Reason
Manoj Kumar R Designation: Independent Director DIN: 09357326	September 30, 2022	Change in Designation from Additional Director to Non-Executive Director
	March 24, 2023	Appointment as Independent Director for the period commencing from 01-04-2023 to 30-09-2026.

#### Meetings of Directors:

During FY 2022-23, the Board met seven 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
20/05/2022	5	5
23/05/2022	5	5
28/06/2022	5	5
13/08/2022	5	5
12/11/2022	5	5
13/02/2023	5	5
13/03/2023	5	5

#### Disclosure of relationship between Director(s) interse

Name	Designation in the Company	Relationship
Mathew Muthoottu	Managing Director	Son of Nizzy Mathew
Nizzy Mathew	Whole Time Director	Mother of Mathew Muthoottu

#### Name of the listed entities in which the Board member is a Director

Name	Designation in other listed Entity	Name of the Other Listed Entity
Jose Paul Maliakal	Independent Director	Kosamattam Finance Limited

#### 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

#### Meetings of Audit Committee:

During FY 2022-23 the Committee met four times to discuss and decide on various business and policy matters of the Company. Meeting dates and the attendance of members in meeting were as under.

Date of Committee meeting	Strength	Directors Present
20-05-2022	3	3
13-08-2022	3	3
12-11-2022	3	3
13-02-2023	3	3

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

- 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;
- 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. 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. Ensure that an Information System Audit of the internal systems and processes is conducted every year to assess operational risks faced by the applicable NBFCs.

The powers of the Audit Committee shall inter alia 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.

## 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 November 9, 2021.

The committee consists of the following members:

Name of the Director	Designation in Committee	Nature of Directorship
Rajagopal M.S	Chairman	Non-Executive & Independent Director

Name of the Director	Designation in Committee	Nature of Directorship
Jose Paul Maliakal	Member	Non-Executive & Independent Director
Manoj Kumar R	Member	Non Executive Director

The Committee met 3 times during the FY on 11-04-2022, 12-11-2022, 13-02-2023.

Board of Directors of your Company, on recommendation of Nomination and Remuneration Committee, has formulated a policy for selection, appointment and remuneration of the directors, senior management personnel as required under Section 178(3) of Companies Act, 2013. The Policy is displayed on the website of the Company at [https://muthootmini.com/wp-content/uploads/2022/11/NRC\\_policy.pdf](https://muthootmini.com/wp-content/uploads/2022/11/NRC_policy.pdf)

### Meetings & Attendance of NRC Committee:

During FY 2022-23 the Committee met three times to discuss and decide on various business and policy matters of the Company. Meeting dates and the attendance of members in meeting were as under.

Date of Committee meeting	Strength	Directors Present
11/04/2022	3	3
12/11/2022	3	3
13/02/2023	3	3

### Terms of reference of the Nomination and Remuneration Committee inter alia include the following:

1. Identify persons who are qualified to become directors and recommended to the Board their appointment / removal and 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 Diversity of the Board, level and composition of remuneration is reasonable and sufficient to attract, retain and 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.

### Performance evaluation criteria for Independent Directors

Criteria's and questions that is considered in performance evaluation of the entire Board by Independent Directors, are set out below:

- 1) Highest personal and professional ethics, integrity and values ;
- 2) Inquisitive and objective perspective, practical wisdom and mature judgment;
- 3) Demonstrated intelligence, maturity, wisdom and independent Judgment
- 4) Self-confidence to contribute to board deliberations, and stature such that other board members will respect his or her view;
- 5) The willingness and commitment to devote the extensive time necessary to fulfill his/her duties;
- 6) The ability to communicate effectively and collaborate with other board members to contribute effectively to the diversity of perspectives that enhances Board and Committee deliberations, including a willingness to listen and respect the views of others; and
- 7) The skills, knowledge and expertise relevant to the Company's business, with extensive experience at a senior leadership level in a comparable company or organization, including, but not limited to relevant experience in manufacturing, international operations, public service, finance, accounting, strategic planning, supply chain, technology and marketing.
- 8) Participation and contribution by a Director;
- 9) Commitment , including guidance provided to the Senior Management outside of Board/ Committee Meetings;
- 10) Effective deployment of knowledge and expertise;
- 11) Effective management of relationship with various stakeholders;
- 12) Independence of behaviour and judgment.
- 13) Maintenance of confidentiality of critical issues.

Based on the above criteria's annual evaluation of performance of independent directors will be conducted.

### 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	Chairman	Non-Executive & Independent Director
Nizzy Mathew	Member	Chairman & Whole-time Director
Mathew Muthoottu	Member	Managing Director

- a) Name of the Non-Executive Director heading the Committee: Rajagopal M.S
- b) Name and Designation of the compliance officer: Smitha KS, Company Secretary & Compliance Officer
- c) Number of shareholders' complaints received during the financial year: 10
- d) Number of complaints not solved to the satisfaction of shareholders: 0
- e) Number of pending complaints: 0

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

1. Consider and resolve the grievances of security holders of the company.
2. 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;
3. Ensure proper and timely attendance and redressal of investor queries and grievances; and
4. 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
Rajagopal M.S	Chairman	Non-Executive & Independent Director
Nizzy Mathew	Member	Whole-time Director
Mathew Muthoottu	Member	Managing Director

### Terms of reference of the CSR Committee interalia include the following:

- To formulate an annual action plan in consonance with the company's CSR policy and recommend the same to the board of the company



- Recommend the amount of expenditure to be budgeted for the activities
- Monitor the implementation of CSR projects in accordance with project timelines and to ensure that the funds are utilized for the approved purpose and report the same to Board of Directors.
- Power to recommend to the Board alterations to the projects if deemed necessary, to ensure better implementation with the prescribed time period
- Recommending to the Board engagement of external organizations, international or national for design, evaluation, capacity building and monitoring of CSR projects as well as collaboration with other companies to undertake CSR projects

## 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 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 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;
- 2) 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;
- 3) To review and assess the nature, role, responsibility and authority of the risk management function within the MMFL
- 4) To monitor external developments relating to the practice of corporate accountability and the reporting of specifically associated risk, including emerging and prospective impacts;
- 5) To review the risk bearing capacity of MMFL in light of its reserves, insurance coverage or other such financial structures.

### Meetings & Attendance of Risk Committee:

During FY 2022-23 the Committee met 4 times to discuss and decide on various business and policy matters of the Company. Meeting dates and the attendance of members in meeting were as under.

Date of Committee meeting	Strength	Directors Present
20/05/2022	3	3
13/08/2022	3	3
12/11/2022	3	3
13/03/2023	3	3

## 7. Borrowings & Investment Committee

The Borrowings & Investment Committee was constituted vide a board resolution dated October 1, 2021 and presently the committee consists of the following members;

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

### Management Committees:

#### 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
Nizzy Mathew	Chairman & Whole time Director
Mathew Muthoottu	Managing Director
P E Mathai	Chief Executive Officer
Ann Mary George	Chief Financial Officer
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, assess, quality and manage market risk, liquidity risk, interest rate risk, price risk etc.
3. To ensure adherence to the risk limits;
4. To articulate current interest rate view of the Company and base its decisions on future business strategy on this view;
5. To monitor the risk levels of the Company;
6. 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;
7. To ensure that all activities are within the overall regulatory framework and government regulation;
8. To review and assess the management of funding undertaken by Company and formulate appropriate actions;
9. 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;
10. To consider, if appropriate, the composition of the Company's capital structure, taking account of future regulatory requirements and rating agency views.

### 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:-

Mr. Mathew Muthoottu – Managing Director

Mr. Vinodh Kumar- CTO

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

### 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:-

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 the 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

#### Remuneration of Directors

- Details of remuneration paid to Directors are disclosed in Annexure-4.
- No pecuniary relationship or transactions of the non-executive directors vis-à-vis the Company.
- Weblink displaying criteria of making payments to non-executive directors: <https://www.muthoottumini.com/wp-content/uploads/2023/02/CRITERIAS-FOR-MAKING-PAYMENTS-TO-NON-EXECUTIVE-DIRECTORS.pdf>
- Disclosures with respect to remuneration in addition to disclosures required under the Companies Act, 2013:
  - all elements of remuneration package of individual directors summarized under major groups, such as salary, benefits, bonuses, stock options, pension etc- Annexure-4
  - details of fixed component and performance linked incentives, along with the performance criteria- NA
  - service contracts, notice period, severance fees- Nil
  - Stock option details- Nil

#### General Meetings (AGM)

- location and time, where last three annual general meetings held:

FY	Date & Time of AGM	Location
2019-20	28/09/2020 11AM	2/994 Muthoottu Buildings Kozhencherry Pathanamthitta 689641
2020-21	30/09/2021 11AM	2/994 Muthoottu Buildings Kozhencherry Pathanamthitta 689641
2021-22	30/09/2022 11AM	65/623K Muthoottu Royal Towers Kaloar Kochi 682017

- whether any special resolutions passed in the previous three annual general meetings: Yes
- whether any special resolution passed last year through postal ballot – details of voting pattern: NA
- person who conducted the postal ballot exercise: NA
- whether any special resolution is proposed to be conducted through postal ballot: Nil
- procedure for postal ballot: NA

#### Means of communication

- quarterly results: During the FY 2022-23 quarterly results were published 4 times in BSE as detailed hereunder:

Quarter ended	Details published	Date of furnishing results to BSE	Date of publication in Newspaper
June 2022	Unaudited financials along with limited review report	August 13, 2022	August 17, 2022
Sep 2022	Unaudited financials along with limited review report	November 12, 2022	November 15, 2022
Dec 2022	Unaudited financials along with limited review report	February 13, 2023	February 15, 2023
March 2023	Financial Statements along with Audit Report	May 17, 2023	May 19, 2023

- newspapers wherein results normally published: Financial Express
- any website, where displayed: <https://www.muthoottumini.com/https://www.bseindia.com/corporates/ann.html>
- whether it also displays official news releases: NA
- presentations made to institutional investors or to the analysts: NA

#### General shareholder information

- Annual general meeting - date, time and venue: 18th September 2023, 11 AM, 65/623K, Muthoottu Royal Tower, Kaloar, Kochi 682017
- Financial Year: 2022-2023
- Dividend payment date: NA
- The name and address of each stock exchange(s) at which the Company's securities are listed and a confirmation about payment of annual listing fee to each of such stock exchange(s): NCD's of the Company is listed in Bombay Stock Exchange and Annual listing fees are paid till date.
- stock code: NA
- Market price data- high, low during each month in last financial year: NA
- performance in comparison to broad-based indices



such as BSE sensex, CRISIL Index etc: NA

- (h) in case the securities are suspended from trading, the directors report shall explain the reason thereof: NA
- (i) Registrar to an issue and share transfer agents: Link Intime India Private Limited
- (j) Share transfer system: Demat (Only debentures are listed in BSE)
- (k) Distribution of shareholding: attached as Annexure 4
- (l) Dematerialization of shares and liquidity: attached as Annexure 4
- (m) Outstanding global depository receipts or american depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity: NA
- (n) Commodity price risk or foreign exchange risk and hedging activities: NA
- (o) Plant locations: NA
- (p) Address for correspondence: 65/623 K Muthoottu Royal Towers Kaloor Kochi 682017
- (q) List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad:

Credit Rating Agency	Instrument	Rating as at 31.03.2023	Remarks
CARE	Non-Convertible Debentures and Bank Loans	CARE A-; Stable For Bank Loans and NCD	Upgraded from CARE BBB+; Stable to CARE A-; Stable vide press release dated 01-07-2022
India Ratings & Research	Bank loan and Non-Convertible Debentures	IND A-/Stable For Bank Loans and NCD	Upgraded from IND BBB+; Stable to IND A-/Stable vide press release dated 16-08-2022

#### Other Disclosures

- (a) Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large: Corporate guarantee of Muthoottu Mini Hotels Private Limited & Muthoottu Mini Theatres Private Limited have been obtained for credit facilities availed by the Company. The details are mentioned in Note 9 in notes to the financial statements
- (b) details of non-compliance by the listed entity, penalties,

strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years: as detailed in Secretarial Audit Report (MR-3)

- (c) Details of establishment of vigil mechanism, whistle blower policy, and affirmation that no personnel has been denied access to the audit committee: The vigil mechanism policy of the Company along with affirmation can be accessed at [https://muthoottumini.com/wp-content/uploads/2022/11/Whistle\\_blower\\_policy\\_Vigil-mechanism.pdf](https://muthoottumini.com/wp-content/uploads/2022/11/Whistle_blower_policy_Vigil-mechanism.pdf)
- (d) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements: The Company has complied with all mandatory requirements as prescribed under regulations issued by statutory authorities.
- (e) Web link where policy for determining 'material' subsidiaries is disclosed: NA
- (f) Web link where policy on dealing with related party transactions: [https://www.muthoottumini.com/wp-content/uploads/2023/01/RPT\\_policy\\_mmfl-12-11-2022.pdf](https://www.muthoottumini.com/wp-content/uploads/2023/01/RPT_policy_mmfl-12-11-2022.pdf)
- (g) Disclosure of commodity price risks and commodity hedging activities: NA
- (h) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A): NA
- (i) a certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority- Annexure 10
- (j) where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year, with reasons thereof: NA
- (k) Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part: Forms part of the financial statements.
- (l) disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:
  - a. number of complaints filed during the financial year : 2
  - b. number of complaints disposed of during the financial year : 2
  - c. number of complaints pending as on end of the financial year : 0

- (m) disclosure by the Company and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount: Nil
- (n) Details of material subsidiaries of the listed entity including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries: NA
- (o) number of other board of directors or committees in which directors are member or chairperson, including separately the names of the listed entities where the person is a director and the category of directorship:

Sr. No.	Name of the Director	Designation
1.	MJ Paul	Independent Director & Chairman of Audit Committee of Kosamattam Finance Limited

- (p) number of meetings of the board of directors held and dates on which held: Mentioned under the head 'Meetings of Directors'
- (q) disclosure of relationships between directors inter-se:

Sr. No.	Name of the Director	Designation	Relationship with other Directors
1.	Nizzy Mathew	Chairman and Wholetime Director	Mother of Mathew Muthoottu
2.	Mathew Muthoottu	Managing Director	Son of Nizzy Mathew

- (r) number of shares and convertible instruments held by non- executive directors: Nil
- (s) web link where details of familiarisation programmes imparted to independent directors: <https://www.muthoottumini.com/wp-content/uploads/2023/02/Training-Programme-FY-2022-23.pdf>
- (t) A chart or a matrix setting out the skills/expertise/competence of the board of directors specifying the following:

Nizzy Mathew the Chairman and Wholetime Director of the Company holds a bachelor's degree in arts from the University of Kerala and has been a director of our Company since its incorporation and is responsible for overall management of the Company. She is having 30 years of experience in the finance industry.

Mathew Muthoottu, is the Managing Director of the Company. He holds a bachelor's degree in commerce from Mahatma Gandhi University, Kerala. He has been a director of our Company since March 7, 2008 and is responsible for business promotion, expansion and brand building activities of our Company.

Manoj Kumar R, Independent Director - He is a Fellow Member of the Institute of Chartered Accountants of India and holds certificate of practice as issued by ICAI. He has also qualified the Information System Auditor

(DISA) course conducted by ICAI in 2009.

Rajagopal M.S, Independent Director- He holds a Master's degree in law from Mahatma Gandhi University, Kerala, and has been a director of the Company since October 8, 2018.

Jose Paul Maliakal, Independent Director- He is a Fellow Member of the Institute of Chartered Accountants of India. He has been a director of our Company since November 18, 2019.

- (u) the list of core skills/expertise/competencies identified by the board of directors as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the board:

Decades of practical experience in gold loan lending, financial management & strategic planning.

- (v) the names of directors who have such skills / expertise / competence:

Name of the Director	skills / expertise / competence
Mathew Muthoottu	Product Management
Nizzy Mathew	Branding & Marketing
MJ Paul	Financial planning. In depth financial analysis.
MS Rajagopal	Dispute Resolution, Legal vetting and Labour matters
Manojkumar R	MIS Analysis. IT Strategic Planning

- (w) The Board of Directors confirm that, the independent directors fulfill the conditions specified in SEBI regulations and are independent of the management.
- (x) detailed reasons for the resignation of an independent director who resigns before the expiry of his/her tenure along with a confirmation by such director that there are no other material reasons other than those provided: No resignation during the financial year

#### **Non-compliance of any requirement of corporate governance report**

Nil

#### **Compliance of Regulation 17 to 27 SEBI (LODR) Regulation 2015**

The Company has complied with regulation 17 to 27 of SEBI (LODR) Regulation 2015 to the extent of its applicability.

**Declaration signed by the chief executive officer stating that the members of board of directors and senior management personnel have affirmed compliance with the code of conduct of board of directors and senior management.**

Attached as Annexure 9

**Compliance certificate from either the auditors or practicing company secretaries regarding compliance of conditions of corporate governance shall be annexed with the directors' report.**

Attached as Annexure 10

#### **Disclosures with respect to demat suspense account/ unclaimed suspense account**

Not Applicable

#### **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.

- i. That in preparation of the annual accounts/financial statements for the year ended March 31, 2023 the applicable Indian Accounting Standards have been followed along with proper explanation relating to material departures, if any.
- ii. That appropriate accounting policies have been selected and applied consistently and judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended March 31, 2023 and of the profit and loss of the Company for that period.
- iii. That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. That the annual accounts have been prepared on a going concern basis.
- v. The Company has an established internal financial control framework including internal controls over financial reporting, operating controls and for the prevention and detection of frauds and errors. The framework is reviewed periodically by management and tested by the internal audit team appointed by the management to conduct the internal audit. Based on the periodical testing, the framework is strengthened from time to time to ensure the adequacy and

effectiveness of internal financial controls and that the existing internal financial controls are adequate and were operating effectively.

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

#### **Board Annual 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 2022-23, to review:

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

#### **Whistle Blower policy**

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

#### **HR Policy against Sexual Harassment**

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

The following is a summary of sexual harassment complaints received and disposed during the year 2022-23 Complaint Status:

Opening	Received during the year	Disposed during the year	Pending cases
0	2	2	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

### Maintenance of Cost Records

The Company is an NBFC, and hence the requirement under sub-section (1) of section 148 of the Companies Act, 2013 w.r.t Maintenance of cost records is not applicable.

### Related Party Transactions Policy:

Policy on related party transactions has been approved by the Board in their meeting held on February 13, 2023. The policy of RPT is attached as Annexure-8.

### Identification of Related Party Transactions

1. Transactions considered as related party as per section 188 of Companies Act 2013:
2. Transactions considered as related party transaction as per Reg. 2(1)(zc) of SEBI(LODR) Regulations, 2015
3. Transactions within the ambit of IND AS-24, of the Companies (Indian Accounting Standards) Rules, 2015

### Approval of Transactions:

1. Transactions that require prior approval of Audit Committee
2. Transactions that require approval by the Board
3. Transactions that require approval by shareholders

Related Party Transaction policy is available on the website of the Company [https://www.muthootmini.com/wp-content/uploads/2023/01/RPT\\_policy\\_mmfl-12-11-2022.pdf](https://www.muthootmini.com/wp-content/uploads/2023/01/RPT_policy_mmfl-12-11-2022.pdf)

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 Audit Committee/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 13-02-2023 had appointed M/s. Satheesh and Ramesh Practising Company Secretaries, as the Secretarial Auditor of the Company to conduct the Secretarial Audit of the Company for the Financial Year 2022-23.

The Secretarial Audit Report in form MR-3, submitted by

the Secretarial Auditors for the FY 2022-23 is enclosed to this report as **Annexure 3**. The Directors of your Company confirm that the Secretarial Audit Report for the period under review is without any qualifications.

### 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 2022-23:

As detailed in Secretarial Audit Report (MR-3)

### Report on Frauds

In compliance with Master Direction - Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016 dated September 29, 2016 all frauds of Rs 1 lakh and above are reported to Reserve Bank of India promptly on their detection and frauds below 1 lakh are reported to the Board of Directors of the Company.

During FY 2022-23, 9 frauds amounting to Rs.58.61 lakhs were reported to Reserve Bank of India. Out of the said amounts, Rs. 8.75 lakhs was fully provided, Rs.50.59 lakhs was recovered and Rs.0.75 lakhs written off.

There were 64 fraudulent cases under Rs.1 lakhs reported during the FY 2022-23. The entire amount has been recovered in all the cases.

Details of the frauds are reported in note no. 6 (A & B) under Disclosures as per RBI guidelines in the financial statements

### Auctions Held During the Year 2022-23

12519 Gold loan accounts were auctioned during the FY 2022-23. An amount of Rs. 6120.37 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. No sister concerns participated in the auction.

### 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.

The web address where annual return referred to in section 92(3) has been placed is <https://www.muthootmini.com/investors-information/>

### Risk Management

The details in respect of Risk Management is included in the Management Discussion and Analysis, which forms an

integral part of this Annual Report.

The detailed policy is displayed on the website of the Company at: <https://muthoottumini.com/wp-content/uploads/2022/08/Risk-Management.pdf>

### Internal Financial Control

The details in respect of internal financial control with reference to the Financial Statements and their adequacy are included in the Management Discussion and Analysis, which forms an integral part of this Annual Report.

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.

**Material changes and commitments affecting the financial position of the company which have occurred between the end of the financial year to which the financial statements relate and the date of the report, in terms of Section 134(3)(l)**

### Rights Issue of Cochin International Airport Limited

The Company has applied for right issue of Cochin International Airport Limited. The Company was eligible to apply for 1,25,000 shares. However the Company had applied for 2,50,000 shares. Finally 1,43,591 equity shares was allotted to the Company on 05-05-2023.

There were no other material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

### Human Resources

Your Company believe that the most important resource of the company is its employees who 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, 2023 the Company had 4020 employees in its rolls at various level of organizational structure.

### Particulars of employees - Disclosure as per Section 197 of the Companies Act, 2013

A statement containing the names of employees employed throughout the financial year and in receipt of remuneration as prescribed under Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is appended as Annexure 5

### Board Diversity and Board Evaluation policy

Pursuant to the provisions of Section 134(3) (e), of the Companies Act 2013 the Company has a policy in place on appointment and remuneration including inter alia criteria for determining qualifications, positive attributes, independence

of a director and other matters provided under Section 178(3) of the Companies Act 2013.

### 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.

### Particulars of loans, guarantees or investments under section 186 of the companies act, 2013

Pursuant to Section 186 of the Companies Act, 2013 (the 'Act') no loans were made, guarantee given or security provided. As such the particulars of loans and guarantee have not been disclosed in this Report. The details of the Investments of the Company are furnished under Note 3 Investments Notes to financial statements.

### Statement regarding opinion of the Board with regard to integrity, expertise and experience (including the proficiency) of the Independent Directors appointed during the year

The Independent Directors are selected as per the applicable provisions of the Companies Act 2013, SEBI LODR Regulations 2015 and RBI Directions. The integrity, expertise and experience of the Independent Directors have been evaluated by the Nomination and Remuneration Committee and the Board of Directors at the time of appointment/re-appointment.

### Declaration of independence from Independent Directors

The independent directors, namely Mr. MJ Paul, Mr. MS Rajagopal and Mr. Manojkumar R, have submitted a declaration to the effect that they meet the criteria of independence as provided under section 149(6) of the Act, as amended. The independent directors have also confirmed compliance with the provisions of rule 6(1)(b) of the Companies (Appointment and Qualifications of Directors) Rules, 2014, as amended, relating to inclusion of their name in the databank of independent directors.

### Key Managerial Personnel

As on March 31, 2023 following are the Key Managerial Personnel of the Company as per the provisions of the Companies Act, 2013:

- 1) Mathew Muthoottu, Managing Director DIN 01786534
- 2) Nizzy Mathew, Whole Time Director DIN 01680739
- 3) PE Mathai, Chief Executive Officer
- 4) Ann Mary George, Chief Financial Officer
- 5) Smitha KS, Company Secretary

No directors or KMP's were appointed/ resigned during the year. However the appointment of Mr. Manoj Kumar R, Additional Director of the Company was regularised as a Non-Executive Director at the Annual General Meeting held on 30th September, 2022 and he was subsequently

appointed as the Independent Director of the Company at the EGM held on 24-03-2023 to hold office for a period commencing from 01-04-2023 to 30-09-2026.

#### **Details of application under Insolvency and Bankruptcy Code.**

The details of application made or any proceeding pending under the Insolvency & Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the FY March 2023-

- No application was made or any proceeding was pending under the Insolvency and Bankruptcy Code, 2016 during the financial year.

#### **Details of OTS/Valuation**

The details of difference between amount of the valuation done at the time of One time Settlement and the valuation done while taking loan from Banks or Financials Institutions along with the reasons thereof:

No OTS/valuation was done during the financial year.

#### **Explanation or comments by the Board on every qualification, reservation or adverse remark or disclaimer made-**

- (i) by the auditor in his report; and  
Nil
- (ii) by the Company Secretary in practice in his secretarial audit report.  
Nil

#### **CEO and CFO Certification**

The CEO and CFO of the Company give certifications on financial reporting and internal controls to the Board in terms of Regulation 17(8) of SEBI (LODR) Regulations, 2015.

#### **Compliance with the Code of Business Conduct and Ethics**

As provided under Regulation 26(3) of SEBI (LODR) Regulations, 2015, all Board Members and Senior Management Personnel have affirmed compliance with the Code of Business Conducts and Ethics for the year ended 31st March 2023.

#### **Related Party Disclosure as per Regulation 53(f) of SEBI (LODR) Regulations 2015**

Disclosures as per Regulation 53(f) of SEBI (LODR) Regulations, 2015 read with Para A of Schedule V:

- (a) Loans and advances in the nature of loans to subsidiaries by name and amount: Nil
- (b) Loans and advances in the nature of loans to associates by name and amount: Nil
- (c) Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount: Detailed under Related Party Transactions in point 4 of Accompanying Notes to the Financial

Statements.

- (d) Investments by the loanee in the shares of parent company and subsidiary company, when the company has made a loan or advance in the nature of loan: Nil
- (e) Disclosures of transactions of the listed entity with any person or entity belonging to the promoter/promoter group which hold(s) 10% or more shareholding in the Company: Detailed under Related Party Transactions in point 4 of Accompanying Notes to the Financial Statements.

#### **Management Discussion and Analysis Report**

In accordance with the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions 2016, a detailed analysis of the Company's performance is discussed in the Management Discussion and Analysis Report, which forms part of this Annual Report.

#### **Disclosure pursuant to Part A of Schedule V of SEBI LODR**

Disclosure pursuant to Part A of Schedule V read with Regulation 53(f) of SEBI LODR is attached as Annexure 7 of this report.

#### **Particulars of employees in receipt of remuneration above the limits and other applicable provisions of the Companies Act, 2013**

Information required pursuant to section 197 of the Companies Act, 2013 and Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, in respect of employees of the Company is attached as Annexure 5.

#### **Registration obtained from Other Financial Sector Regulators**

- The Company has obtained a certificate of registration bearing registration no. – CA0122 issued by IRDAI, with effect from April 1, 2016, under Section 42D (1) of the Insurance Act, to act as a "Corporate Agent (Composite)" (renewed up to March 31, 2025).
- The 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, renewed on August 21, 2017.
- The Company has obtained registration from Legal Entity Identifier India Limited bearing registration number 335800NAOPEBJAAFR188 valid till 25th March 2024.

#### **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.

#### **Statement on impact of Audit Qualification under Regulation 52(3)**

The Auditor's Report does not contain any qualification and hence no statement of impact of audit qualification has been submitted as stipulated under Regulation 52(3)(a) of SEBI (LODR) Regulation, 2015 as part of financial results for the financial year ended 31st March 2023

#### **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.

**For and on behalf of the Board of Directors**

#### **MATHEW MUTHOOTTU**

Managing Director

DIN:01786534

#### **NIZZY MATHEW**

Chairman & Whole Time Director

DIN:01680739

Date: 14-08-2023

Place: Kochi

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### **Industry Structure & Developments and Outlook**

NBFC's have played a vital role by catering the financial needs of the unbanked masses in the rural and semi-urban area. In the last decade the gold loan sector has gained credibility and the industry's ongoing competitiveness shows that it is expanding. Even though banks compete in the gold loan market segment NBFC's remain an important player because of their wider reach, increased flexibility, individualized services and cutting-edge digital solutions.

NBFC's need to concentrate on their pricing power to sustain profitability and focus on higher yield categories for expansion in a climate of rising interest rate and fierce competition. NBFC's may perform better in the years to come if they have robust business model, adequate capital and focus on digital strategies.

### **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 jewelries. Over a period of time, many companies have emerged as 'specialised gold loan companies.

Most of the gold in India is held by people in rural market. Rural residents and low-income groups are the major customers of gold loans, as gold is usually the only asset they possess, in some quantity. They also typically lack access to banking facilities. Thus, gold loan has emerged as one of the most reliable credit sources for these categories of customers.

The key factors that drove the rapid growth phase of Gold loan in India included low cost of funds (eligibility under Priority Sector Lending), rise of India's middle class, consumerism and urbanization, rising gold prices, and high Loan to Value (LTV) of up to 75.0%. Convenience of access, quick disbursements and lower interest rates compared to moneylenders led to NBFCs becoming the customer's choice.

### **Opportunities & Threats**

India's organized gold loan market is grossly under penetrated. Indians have idle gold and with gold prices soaring, gold loans have become an attractive proposition. Due to greater awareness of risk associated with the unregulated sources of finance offered by pawn brokers at higher interest rates

the common man is moving to the organized sector and there is a huge opportunity in the gold loan industry.

In order to remain competitive in the gold loan industry the product offerings will need to be highly dynamic and the entities in the regulated segment will have to be compliant with the regulations of Reserve Bank of India. Further due to the increased appetite for gold loans by banks and competition from peers is the threat to the industry.

### 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 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 are most often less than 2%. 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.

### SEGMENT WISE OR PRODUCT WISE PERFORMANCE

#### **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, Uttar Pradesh, Goa and the union territory of Puducherry.

Our Gold Loan portfolio as on March 31, 2023 comprises 5,03,974 Gold Loan accounts aggregating to ₹3,04,876.78 lakhs, which is 93%, of our total loans and advances as on that date. We, as on March 31, 2023, had a network of 861 branches.

#### **Microfinance Loans**

Our microfinance loans are typically small ticket loans, unsecured and given to joint liability groups forming of women customers only. We started our Microfinance business in Fiscal 2017 and we provide loan amounts typically within the range of Rs.10000 to Rs.100000 per loan transaction and which remain outstanding approximately for an average tenure of 365 days to 1095 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, 2023 we had 50883 microfinance loan accounts aggregating to Rs.20660 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, 2025. 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, 2023, we have opened 46105 security DP accounts.

**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. The agreement came into effect from February 1, 2021 and will be valid for a period of 5 years.

## RISKS & CONCERNS

Your Company has a comprehensive Risk Management Policy in place and has laid down a well-defined risk management framework to identify, assess and monitor various elements of risk involved in the business and strengthen controls to mitigate risks. The Company has constituted a Risk Management Committee, consisting of the Whole time Director and Non-Executive Directors, who are responsible for putting in place a progressive risk management system, risk management policy and strategy to be followed by the Company.

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

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

**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 two years 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.

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.

The Company has to manage various risks such as credit risk, liquidity risk, interest rate risk and operational risk. The Risk Management Committee and the Asset Liability Management Committee review and monitor these risks at regular intervals. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

The Company manages its credit risk through prudent credit norms in line with the business requirements and continues to follow the time tested practice of personally assessing every borrower, before committing credit exposure. This process ensures that the expertise in lending operations acquired by the Company over the past years is put to best use and acts to mitigate credit risks.

Operational risks arising from inadequate internal processes, people and systems or from external events are adequately addressed by the internal control systems and are continuously reviewed and monitored. The Senior Management regularly assesses the risks and take appropriate measures to mitigate them.

#### Branch Network

As on March 31, 2023, we had 861 branches in the states of Kerala, Karnataka, Tamil Nadu, Andhra Pradesh, Telangana, Haryana, Maharashtra, Gujarat, Delhi, Goa, Uttar Pradesh and the union territory of Puducherry.

State	As on March 31, 2023
Andhra Pradesh	117
Delhi	7
Goa	6
Gujarat	5
Haryana	5
Karnataka	115
Kerala	176
Maharashtra	2
Tamil Nadu	348
Puducherry (Union Territory)	1
Uttar Pradesh	1
Telangana	78
Total	861

#### Internal control system and their adequacy

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.

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.

#### Discussion on financial performance with respect to operational performance

The Gold or the yellow metal, is recognized as a universal coinage and the most reliable liquid asset traditionally. India, which is one among the largest market of gold and is a country where gold is preserved traditionally.

Pawning or gold lending is a century old practice among Indians and in the past, unorganized gold lenders offered loans against gold as collateral security. Yet, until recently, people did not leverage the opportunity effectually owing to several reasons such as lack of transparency, unauthorized business practices, high interest and so on.

Muthoottu Mini with a legacy of more than 136 years is now penetrating into the unorganized segment. The Company offers attractive Interest Rates, Quick Processing, Transparency in Transactions and is now venturing into digitalization.

We managed to open 53 branches during the FY 2022-23 (tabled below) and grew by 78.08 crores from these locations, which is more than 10 % of the total AUM growth recorded in this financial year.

State	No of branches opened during the FY 2022-2023
Andhra Pradesh	37
Tamil Nadu	9
Karnataka	3
Telangana	2
Haryana	2

Branches which completed six months, have almost reached the break-even and are expected to be profitable in the FY 2023-24. The Company also undertakes operational measures like merging branches which are not profitable to nearby branches, shifting of premises to places having more visibility and taking measures to reduce rents.

## SWOT

Strengths	<ul style="list-style-type: none"> <li>136 years of family business legacy.</li> <li>Over 3.50 lacs of active customers.</li> <li>5-layer security system.</li> <li>Best gold loan schemes to suit the customer requirements.</li> <li>In-house valuation of gold jewellery.</li> <li>Qualified, experienced, young and dynamic Top Management.</li> <li>Quick disbursements to fulfil the customer needs.</li> <li>Digital disbursements and payments 24/7.</li> <li>Concentration on 1 core product which is the most liquid asset.</li> </ul>
Weaknesses	<ul style="list-style-type: none"> <li>Geographical limitations.</li> </ul>
Opportunities	<ul style="list-style-type: none"> <li>Availability of untapped markets in the country.</li> <li>Ample scope to grow in gold loans in the present scenario.</li> <li>More Scope to open branches without any hassle.</li> <li>Easy to expand to other parts of the country.</li> <li>Family run business – quick decision-making ability.</li> <li>Wide acceptance of the Brand name “Muthoottu”</li> </ul>
Threats	<ul style="list-style-type: none"> <li>Competition from other gold loan companies.</li> <li>Strict regulatory guidelines.</li> <li>Attrition in the industry.</li> <li>Increasing overall cost.</li> </ul>

## Material developments in Human Resources/ Industrial Relations front, including number of people employed

With growth in the number of branches and the over all AUM, staffing has also increased leading to increased recruitment during the FY 2022-23. A new position of Chief Administrative Officer was introduced and Mr. V L Paul joined our organization as CAO. He has a rich experience of above 40 years in banking and is specialized in Human Resources and Industrial Relations.

A plethora of employee welfare measures were introduced which included, gifts for new born babies of the staff members and marriage gift for newly wedded staff members and group insurance policies for staff and close dependents. The HR Manual was standardized as per the latest policies and the Company also initiated professional development of staff by introducing IIBF certification, for staff interested to obtain the qualification. The overall measures has boosted employee morale and that has led to a decrease in the attrition rate of the employees. As on 31<sup>st</sup> March 2023, 4020 employees are in the rolls of the Company.

## Details of significant changes (ie change of 25% or more as compared to the immediately previous FY) in key financial ratios, along with detailed explanations therefore, including :

No change of 25% or more as compared to the previous FY 2021-22.

## Key Financial Ratios

SI No.	Particulars	Year Ended March 31, 2023
1	Debtors turnover*	Not Applicable
2	Inventory turnover*	Not Applicable
3	Interest service coverage ratio*	Not Applicable
4	Current Ratio	2.88 times
5	Debt Equity Ratio	₹ 5.16 times
6	Operating margin	Not Applicable
7	Net profit margin	12.36%
8	Sector specific equivalent ratios	
	a. Gross NPA	0.43%
	b. Net NPA	0.37%
	c. CRAR	22.81%

\*Not applicable to NBFC as per Regulation 52 SEBI (LODR) Regulation 2015

## Details of any change in Return on Networth as compared to the immediately previous financial year along with a detailed explanation thereof

The return on networth of the Company has increased from 8.57% during the FY 2021-22 to 11.08% as on the end of the FY 2022-23

## Disclosure of Accounting Treatment

In the preparation of financial statements, no treatment different from that prescribed in an Accounting Standard has been followed.

## Acknowledgement

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

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

## By order of the Board

### MATHEW MUTHOOTTU

Managing Director

DIN:01786534

### NIZZY MATHEW

Chairman & Whole Time Director

DIN:01680739

Date: 14-08-2023

Place: Kochi

# ANNEXURE-1

## CSR Reporting for Financial Year 2022-23

### Brief outline on CSR Policy of the Company.

Muthoottu Mini Financiers Ltd., ("the Company") since its inception has seen itself as a corporate citizen responsible to the society. To streamline and provide more focus and direction to the activities undertaken by the company in this sphere, Corporate social responsibility policy was formulated on 30-05-2014 and was last reviewed on 31-03-2021.

The Company focusses on the key areas outlined in schedule VII of the Companies Act 2013, which inter alia include the following:

- Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.
- Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
- Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.
- Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water.
- Contribution to research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government.

### Composition of the CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	M S Rajagopal	Independent Director & Chairman of the CSR Committee	5(Five)	5(Five)
2	Mathew Muthoottu	Managing Director	5(Five)	5(Five)
3	Nizzy Mathew	Whole Time Director	5(Five)	5(Five)

The Meetings of the Committee were held on 30-05-2022, 28-07-2022, 12-11-2022, 13-02-2023 and 31-03-2023.

- The web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

Composition of CSR Committee:

[https://muthoottumini.com/wp-content/uploads/2022/11/CSR\\_policy.pdf](https://muthoottumini.com/wp-content/uploads/2022/11/CSR_policy.pdf)

CSR Policy: [https://muthoottumini.com/wp-content/uploads/2022/11/CSR\\_policy.pdf](https://muthoottumini.com/wp-content/uploads/2022/11/CSR_policy.pdf)

CSR Projects approved by the Board <https://www.muthoottumini.com/investors-information/>

- Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report): Not Applicable
- Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: Nil
- Average net profit of the company as per section 135(5).

The Average net profit of the Company as per section 135(5) is Rs.48,35,52,375

- (a) Two percent of average net profit of the company as per section 135(5)

The Two percent of average net profit of the company as per section 135(5) is Rs. 96,71,048



(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.- Nil

(c) Amount required to be set off for the financial year, if any: Nil

(d) Total CSR obligation for the financial year (7a+7b-7c): Rs. 96,71,048

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount	Date of transfer
Rs.12205304	Rs.2934458	28-04-2023	N/A		

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project. State. District.	Project duration.	Amount allocated for the project (in Rs.).	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency Name. CSR Registration number.
1.	Save a life	Promoting health care including preventive health care	Yes	Kerala Ernakulam	2years	1000000	-----	1000000	No	Ardra Charitable Society CSR 00006804
2.	Elderly Care	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	Yes	Kerala Ernakulam	2 years	1934458	-----	1934458	No	M Mathew Foundation CSR 00054707
Total						2934458	----	2934458		

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	Location of the project. State. District.	Amount spent for the project (in Rs.).	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency. Name. CSR registration number.
1	Eco friendly bag	Ensuring environmental sustainability,	No	Kerala, Ernakulam Tamil Nadu, Chennai Andhra Pradesh, Hyderabad Karnataka, Bangalore	2000000	Yes	----
2	School Bag for under privileged school students	Promoting education	No	Kerala, Ernakulam Tamil Nadu, Chennai Andhra Pradesh, Hyderabad Karnataka, Bangalore	2065000	Yes	----
3	Umbrella for under privileged school students	Promoting education	Yes	Kerala, Ernakulam	11230	Yes	----
4	School Infrastructure	Promoting education	No	Karnataka, Bangalore	300000	No	Orthodox Christian Service Society CSR 00045774

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	Location of the project. State. District.	Amount spent for the project (in Rs.).	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency. Name. CSR registration number.
5	Dialysis support	Promoting health care including preventive health care	Yes	Kerala, Aluva	200000	No	Lions Club CSR 00013397
6	Elderly Care	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	Yes	Kerala Ernakulam	2000000	Yes	---
7	Medical aid	Promoting health care including preventive health care	No	Kerala, Wayanad	50000	No	Jeevayothi Charitable Trust CSR 00033839
8	Dialysis Care	Promoting health care including preventive health care	Yes	Kerala, Ernakulam	100660	No	Rotary Midtown CSR 00014528
	Total				6726890		

(d) Amount spent in Administrative Overheads- Rs.9700/-

(e) Amount spent on Impact Assessment, if applicable: Not Applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs.9671048

(g) Excess amount for set off, if any:

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	No Excess amount for set off
(ii)	Total amount spent for the Financial Year	
(iii)	Excess amount spent for the financial year [(ii)-(i)]	
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any. Name of the Fund Amount (in Rs.) Date of transfer.			Amount remaining to be spent in succeeding financial years. (in Rs.)
1.	2021-2022	25,34,256	25,34,256	NA	NA	NA	NA
	Total	25,34,256	25,34,256	NA	NA	NA	NA

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in Rs.).	Amount spent on the project in the reporting Financial Year (in Rs.).	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed / Ongoing.
1	FY31.03.2022_1	Sasneham	2020-21	2 years	2000000	1505000	2000000	completed
2	FY31.03.2022_2	Asha	2020-21	2years	2000000	1000000	2000000	completed
3	FY31.03.2022_3	Metro Median	2020-21	2years	122056	29256	122056	completed
	Total				4122056	2534256	4122056	

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year- NA

(a) Date of creation or acquisition of the capital asset(s) : NA

(b) Amount of CSR spent for creation or acquisition of capital asset : NA

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc : NA

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset) : NA

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).- NA

Mathew Muthoottu	Rajagopal MS
DIN: 01786534	DIN: 08114376
Managing Director	(Chairman CSR Committee).

Date: 14-08-2023

Place: Kochi



## 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

SN	Name(s) of the related party	Nature of Relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/arrangements/transactions	Salient terms of the contracts or arrangements or transactions including the value, if any (Rs. In lakhs):	Justification for entering into such contracts or arrangements or transactions	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
Nil									

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

SN	Name(s) of the related party	Nature of Relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any (Rs. in lakhs):	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:
1	Mathew Muthoottu	Key Managerial Personnel	Salary And Allowance	3 years	264.00	16-09-2021	NA
			Rent/Maintenance Charges paid	3 years	3.59	01-07-2021*	NA
			Travelling Expenses	1 year	17.33	20-05-2022	NA
			Debenture/Subdebt Interest	NA	1.53	NA	NA
			Debenture Holdings/Subdebt Holdings	NA	14.50	NA	NA
			Debenture /Subdebt Redeemed	NA	15.20	NA	NA
2	Nizzy Mathew	Key Managerial Personnel	Salary And Allowance	3 years	180.00	18-12-2021	NA
			Rent/Maintenance Charges paid	3 years	1.16	01-07-2021*	NA
			Travelling Expenses	1 year	1.04	20-05-2022	NA
			Debenture/Subdebt Interest	NA	4.12	NA	NA
			Debenture Holdings/Subdebt Holdings	NA	39.11	NA	NA
			Debenture /Subdebt Redeemed	NA	7.50	NA	NA
3	Roy M Mathew	Relatives of Key Managerial Personnel	Rent/Maintenance Charges paid	3 years	5.44	01-07-2021*	NA
			Debenture/Subdebt Interest	NA	0.36	NA	NA
			Debenture /Subdebt Holdings	NA	5.00	NA	NA
			Debenture /Subdebt Redeemed	NA	1.12	NA	NA
4	Mini Muthoottu Nidhi Kerala Ltd	Entity in which KMP has significant influence	Rent/Maintenance Charges paid	3 years	7.23	01-07-2021*	NA
			Rent Received	3 years	18.95	01-07-2021*	NA
5	MM Nirman and Real Estate Private Limited (Erst while Mini Muthoottu Nirman & Real Estate Pvt Ltd)	Entity in which KMP has significant influence	Rent/Maintenance Charges paid	3 years	6.60	01-07-2021* & 01-09-2021*	NA

SN	Name(s) of the related party	Nature of Relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any (Rs. in lakhs):	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:
6	Muthoottu Mini Hotels Pvt Ltd	Entity in which KMP has significant influence	Rent/Maintenance Charges paid	3 years	6.79	01-07-2021*	NA
			Loan Against Property Out-standing	10 years	596.39	19-10-2020	NA
			Interest On Loan Against Property	10 years	86.53	19-10-2020	NA
			Principal Repayment Of Loan Against Property	10 years	39.23	19-10-2020	NA
7	Royal Gold	Relative of KMP	Rent Received	1 year	3.59	18-01-2021*	NA
			Commission Received	1 year	8.71	20-05-2022	NA
			Purchase of gold coin	1 year	3.02	20-05-2022	NA
8	MILANCHE	Entity in which KMP has significant influence	Purchase of materials	1 year	26.10	20-05-2022	NA
			Rent Received	1 year	2.12	20-05-2022	NA
9	Muthoottu Finance And Services Private Limited (Erst While Kozhencherry Mm Financial Services Private Limited)	Entity in which KMP has significant influence	Purchase For Marketing Activities	1 year	30.86	20-05-2022	NA
10	Muthoottu Infotech Private Limited (Erst while RMM Properties Private Limited)	Entity in which KMP has significant influence	Rent Received	1 year	0.28	12-11-2022	NA
			IT Consultancy & Support Services	1 year	22.23	12-11-2022	NA
11	Ann Mary George	Key Managerial Personnel	Salary And Allowance	1 year	45.84	NA	NA
12	Smitha K S		Salary And Allowance	1 year	21.84	NA	NA
13	Pothanattu Ethappiri Mathai		Salary And Allowance	1 year	67.79	01-01-2023	NA
14	Manojkumar R	Independent Director	Sitting Fee	1 year	1.55	NA	NA
15	M S Rajagopal		Sitting Fee	1 year	3.15	NA	NA
16	Maliakal Jose Paul		Sitting Fee	1 year	1.75	NA	NA

\*The Board reviews the same in every financial year.

#### For and on behalf of the Board of Directors

Mathew Muthoottu	Nizzy Mathew
DIN: 01786534	DIN: 01680739
Managing Director	Chairman & Whole Time Director

Date: 14-08-2023

Place: Kochi

# FORM NO. MR-3

## Secretarial Audit Report

For The Financial Year Ended March 31, 2023

[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  
Muthoottu Royal Tower  
Kaloor, Kochi

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** (U65910KL1998PLC012154) (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 verification of the Company's Books, Papers, Minute Books, Forms and Returns filed with various 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, 2023** ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to reporting made hereinafter.

We further report that maintenance of proper and updated Books, Papers, Minute 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, 2023, as per the provisions of:-

1. The Companies Act, 2013 (**the Act**) and the Rules made there under;
2. The Securities Contracts (Regulation) Act, 1956 (**'SCRA'**) and the Rules made there under;
3. Provisions of the Reserve Bank of India Act, 1934 and its guidelines and regulations to the extent the same is applicable to the Company.
4. Foreign Exchange Management Act, 1999 and the rules and regulations to the extent the same was applicable to the company.
5. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under to the extent of its applicability;

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 to the Company during the audit period.
- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; to the extent of its applicability
- c. 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.
- d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ;( Not applicable to the Company during the audit period)
- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities, 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; Not applicable
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; ( Not applicable to the



Company during the audit period)

- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; ( Not applicable to the Company during the audit period)
- i. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under and
- i. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021- Not applicable

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015.
- (ii) The Debt Listing Agreements entered into by the Company with Stock Exchanges;

Based on the aforesaid information provided by the Company, we report that during the financial year under review, the Company has complied with the provisions of the above mentioned Act/s, Rules, Regulations, Guidelines, Standards etc. and we have no material observation or instances of non-compliance in respect of the same.

We further report that during the year under review the Company:

- (a) Made delayed remittance of amount due to Investor Education and Protection Fund with additional fees.
- (b) Has paid fines to stock exchange for delayed intimation of the following:

Sl. No.	Regulation	Amount Paid (Rs.)
1	Regulation 50(2) furnishing meeting intimation of shareholders / non- convertible securities	5900
2	Regulation 53(2) Submission of annual report	16520
3	Regulation 57(4) Submission of interest payment details	1180

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The Changes in the Composition of Board of Directors that took place during the period under review were carried out in compliance with provisions of the Companies Act 2013.

Adequate notice along with detailed notes on agenda is given to all the directors to schedule the Board meetings at least 7 days in advance and a reasonable system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through and proper system is in place which facilitates / ensure to capture and record, the dissenting member's views, if any, as part of the Minutes.

Based on the representation made by the Company and its Officers explaining to 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 there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, there are no specific events / actions having a major bearing on the Company's affairs in pursuance of the laws, rules, regulations, guidelines, etc, referred to above.

**For Satheesh and Remesh**

Company Secretaries

**N. Satheesh Kumar**

Partner

Company Secretary in Practice

C P No.6607

UDIN. A016543E000308175

Date :16/05/2023

Place : Kochi

To,  
The Members  
Muthoottu Mini Financiers Limited (U65910KL1998PLC012154)  
Kochi

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 an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test 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. Wherever 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 basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For Satheesh and Remesh,**  
Company Secretaries

**N. Satheesh Kumar**  
Partner  
Company Secretary in Practice  
C P No.6607  
UDIN. A016543E000308175

Date : 16.05.2023  
Place : Kochi

# ANNEXURE-4

## FORM NO. MGT 9

### EXTRACT OF ANNUAL RETURN

as on financial year ended on 31.03.2023

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	65/623K, MUTHOOTTU ROYAL TOWERS, KALOOR, KOCHI, ERNAKULAM, KERALA-682017 Email: info@muthoottumini.com Website: www.muthoottumini.com Phone: 04842912100
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 MAHARASHTRA, INDIA Equity Shares: CDSL VENTURES LIMITED A WING, 25 <sup>TH</sup> 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	90.19

#### 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
	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	76.68	1,91,34,353	0	1,91,34,353	76.68	0
b) Central Govt. or State Govt.									

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change in year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) Bodies Corporates	46,00,346	12,17,835	58,18,181	23.32	46,00,346	12,17,835	58,18,181	23.316	0
d) Bank/FI									
e) Any other									
SUB TOTAL:(A) (1)	237,34,699	12,17,835	2,49,52,534	100	237,34,699	12,17,835	2,49,52,534	100	0
(2) Foreign									
a) NRI- Individuals									
b) Other Individuals									
c) Bodies Corp.									
d) Banks/FI									
e) Any other...									
SUB TOTAL (A) (2)	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	2,37,34,699	12,17,835	2,49,52,534	100	2,37,34,699	12,17,835	2,49,52,534	100	0
B. PUBLIC SHAREHOLDING									
(1) Institutions									
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):									
(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)	5	0	5	0.00	5	0	5	0.00	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



**ii) Share Holding Of Promoters & Promoter Group Shareholding**

Sl No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding 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	1419841	5.69	Nil	1419841	5.69	Nil	0
5	Roy M. Mathew	999995	4.01	Nil	999995	4.01	Nil	0
6	Muthoottu Infotech Private Limited (Erst while RMM properties India Private Limited)	629207	2.52	Nil	629207	2.52	Nil	0
7	MuthoottuMini theatres private limited	1217835	4.88	Nil	1217835	4.88	Nil	0
	<b>Total</b>	<b>24952534</b>	<b>99.99</b>	Nil	<b>24952534</b>	<b>99.99</b>	Nil	0

**iii) Share Holding of 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
	<b>At the beginning of the year</b>	<b>249,52,534</b>	<b>99.99</b>	<b>249,52,534</b>	<b>99.99</b>
	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 2022-2023.			
	<b>At the end of the year</b>	<b>249,52,534</b>	<b>99.99</b>	<b>249,52,534</b>	<b>99.99</b>

**iv) Shareholding Pattern of Top Ten Shareholders (Other Than Directors, Promoters & Holders of GDRS & ADRS)**

Sl. No		Shareholding at the begining 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
	<b>For Each of the Top 10 Shareholders</b>				
	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)				

**v) Shareholding of Directors & KMP**

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
	<b>For each of the Directors and KMP</b>				
1.	Mathew Muthoottu-Managing Director				
	At the beginning of the year	14779912	59.23	14779912	59.23
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc):	---	---	---	---
	At the end of the year	14779912	59.23	14779912	59.23

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
	<b>For each of the Directors and KMP</b>				
2.	Nizzy Mathew-Whole Time Director				
	At the beginning of the year	3354446	13.44	3354446	13.44
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc):	---	---	---	---
	At the end of the year	3354446	13.44	3354446	13.44
3.	Manojkumar R - Non executive Director				
	At the beginning of the year	0	0	0	0
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc):	---	---	---	---
	At the end of the year	0	0	0	0
4.	Rajagopal Saseendran Mangalathu - Independent Director				
	At the beginning of the year	0	0	0	0
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc):	---	---	---	---
	At the end of the year	0	0	0	0
5.	Paul Jose Maliakal - Independent Director				
	At the beginning of the year	0	0	0	0
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc):	---	---	---	---
	At the end of the year	0	0	0	0
6.	K S Smitha- Company Secretary				
	At the beginning of the year	0	0	0	0
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc):	---	---	---	---
	At the end of the year	0	0	0	0
7.	Pothanattu Ethappiri Mathai - CEO				
	At the beginning of the year	0	0	0	0
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc):	---	---	---	---
	At the end of the year	0	0	0	0
8.	Ann Mary George -CFO				
	At the beginning of the year	0	0	0	0
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc):	---	---	---	---
	At the end of the year	0	0	0	0

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits (Rs)	Unsecured Loans (Rs.)	Deposits (Rs.)	Total Indebtedness (Rs.)
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	2,08,311.70	38,001.01	--	2,46,312.71
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	9,324.97	10,145.71		19,470.68
<b>Total (i+ii+iii)</b>	<b>2,17,636.67</b>	<b>48,146.72</b>		<b>2,65,783.39</b>
<b>Change in Indebtedness during the financial year</b>				

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits (Rs)	Unsecured Loans (Rs.)	Deposits (Rs.)	Total Indebtedness (Rs.)
<b>Indebtedness at the beginning of the financial year</b>				
Additions	1,09,448.89	17,100.89	--	1,26,549.78
Reduction	44,333.86	26,379.11	--	70,712.97
<b>Net Change</b>	<b>65,115.03</b>	<b>-9,278.21</b>	<b>--</b>	<b>55,836.82</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	2,70,680.81	36,574.61	--	3,07,255.42
ii) Interest due but not paid	-	-	--	-
iii) Interest accrued but not due	12,070.89	2,293.90	--	14,364.80
<b>Total (i+ii+iii)</b>	<b>2,82,751.70</b>	<b>38,868.51</b>		<b>3,21,620.22</b>

## VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole Time Director and/or Manager:

Sl. No	Particulars of Remuneration	Name of the MD/WTD/Manager		Total Amount (in lakhs)
1	<b>Gross salary</b>	<b>Nizzy Mathew</b>	<b>Mathew Muthoottu</b>	
	(a) Salary as per provisions of Sec 17(1) of the Income Tax. 1961.	180	264	444
	(b) Value of perquisites u/s 17(2) of the IT Act, 1961	-	-	-
	(c) Profits in lieu of salary under Sec 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock option	-	-	-
3	Sweat Equity	-	-	-
4	Commission as % of profit	-	-	-
5	Others, please specify	-	-	-
	<b>TOTAL</b>	<b>180</b>	<b>264</b>	<b>444</b>
Ceiling as per the Act	<i>*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</i>			

### B. Remuneration to Other Directors:

Sl. No	Particulars of Remuneration	Name of the Directors			Total Amount (in lakhs)
1	<b>Independent Directors</b>	<b>Maliakal Jose Paul</b>	<b>M S Rajagopal</b>	<b>Manoj Kumar R</b>	
	(a) Fee for attending Board/ Committee meetings (Rs. in lakhs)	1.75	3.15	1.55	6.45
	(b) Commission	---	---	---	---
	(c) Others, please specify	---	---	---	---
	<b>Total (1)</b>	<b>1.75</b>	<b>3.15</b>	<b>1.55</b>	<b>6.45</b>
2	<b>Other Non-Executive Directors</b>				
	(a) Fee for attending Board / Committee meetings	---	---	---	---
	(b) Commission	---	---	---	---
	(c) Others, please specify	---	---	---	---
	<b>Total (2)</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>
	<b>Total (B)=(1+2)</b>	<b>1.75</b>	<b>3.15</b>	<b>1.55</b>	<b>6.45</b>
	<b>Total Managerial Remuneration</b>	450.45			
	<b>Overall Ceiling as per the Act</b>	948.33			

### c. Remuneration to KMP other than MD/Manager/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
	<b>Gross Salary</b>	<b>CS</b>	<b>CFO</b>	<b>CEO</b>	<b>Total</b>
1.	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961 (in lakhs)	21.84	45.84	67.79	<b>135.47</b>

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CS	CFO	CEO	Total
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	---	---	---	---
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	---	---	---	---
2.	Stock Option	---	---	---	---
3.	Sweat Equity	---	---	---	---
4.	Commission as % of profit	---	---	---	---
5.	Others, please specify	---	---	---	---
	<b>TOTAL</b>	<b>21.84</b>	<b>45.84</b>	<b>67.79</b>	<b>135.47</b>

#### VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of penalty / punishment / compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made any (give details)
A.COMPANY					
Penalty	---	---	---	---	---
Punishment	---	---	---	---	---
Compounding	---	---	---	---	---
B.DIRECTORS					
Penalty	---	---	---	---	---
Punishment	---	---	---	---	---
Compounding	---	---	---	---	---
C. OTHER OFFICERS IN DEFAULT					
Penalty	---	---	---	---	---
Punishment	---	---	---	---	---
Compounding	---	---	---	---	---

For and on behalf of the Board of Directors

**Mathew Muthoottu**

Managing Director

DIN: 01786534

**Nizzy Mathew**

Chairman & Whole Time Director

DIN: 01680739

Date: 14-08-2023

Place: Kochi



## 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:

SN	Name of the Employee	Designation of the employee	Remuneration Received (Rs. in lakhs p.a)	Nature of employment, whether contractual or otherwise	Qualification and experience of the employee	Date of commencement of employment	The age of employee	The last employment held by such employee before joining the company	The percentage of equity shares held by the employee in the company	Whether any such employee is a relative of any director or manager of the company and if so, name of such director or employee
1	Mathew Muthoottu	Managing Director	264.00	Employment contractual	Bachelor's degree in Commerce, 15 years in NBFC & Financial Institutions	07/03/2008	33	NA	59.23%	Nizzy Mathew (Mother)
2	Nizzy Mathew	Wholetime Director	180.00	Employment contractual	Bachelor's degree in English literature, 25 years' experience in NBFC & Financial Institution	18/03/1998	69	NA	13.44%	Mathew Muthoottu ( Son)

**For and on behalf of the Board of Directors**

**Mathew Muthoottu**

Managing Director

DIN: 01786534

**Nizzy Mathew**

Chairman & Whole Time Director

DIN: 01680739

Date: 14-08-2023

Place: Kochi

## ANNEXURE 6

### A) INFORMATION REQUIRED PURSUANT TO SECTION 197 READ WITH RULE 5 (1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

- The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year; The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;

SN	Name of Director and KMP	Designation	Ratio of the remuneration of each director to the median** remuneration of the employees of the company	Percentage increase in remuneration during FY 23
1	Mathew Muthoottu	Managing Director	220:1.54	10.46
2	Nizzy Mathew	Whole Time Director	150:1.54	-
3	MS Rajagopal	Independent Director	NA	-
4	MJ Paul	Independent Director	NA	-
5	Manojkumar R	Director	NA	-
6	PE Mathai	Chief Executive Director	60.5:1.54	10.00
7	Ann Mary George	Chief Financial Officer	37.5:1.54	7.14
8	Smitha KS	Company Secretary	18:1.54	5.88

- The percentage increase in the median remuneration of employees in the financial year - 2.67%
- The number of permanent employees on the rolls of company as on 31.03.2023 - 4020
- Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: The average percentile increase for managerial personnel is 6.69% & and other than managerial personnel is 4.87%.
- Affirmation that the remuneration is as per the remuneration policy of the company – We affirm that remuneration is paid as per the remuneration policy of the Company.

#### \*\*Explanation

- the expression “median” means the numerical value separating the higher half of a population from the lower half and the median of a finite list of numbers may be found by arranging all the observations from lowest value to highest value and picking the middle one;
- if there is an even number of observations, the median shall be the average of the two middle values.

#### For and on behalf of the Board of Directors

**Mathew Muthoottu**  
Managing Director  
DIN: 01786534

**Nizzy Mathew**  
Chairman & Whole Time Director  
DIN: 01680739

Date: 14-08-2023  
Place: Kochi

## ANNEXURE-7

Disclosure pursuant to Part A of Schedule V read with Regulation 53(f) of SEBI (LODR) Regulations, 2015

SN	Loans and Advances in the nature of loans	Amount outstanding as at 31-03-2023	Maximum amount outstanding during the year
(A)	<b>Holding Company</b> 1) Loans and advances in the nature of loans to subsidiaries by name and amount. 2) Loans and advances in the nature of loans to associates by name and amount. 3) Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount.	NA. The Company does not have a holding company.	NA. The Company does not have a holding company.
(B)	<b>Subsidiary Company</b> 1) Loans and advances in the nature of loans to subsidiaries by name and amount. 2) Loans and advances in the nature of loans to associates by name and amount. 3) Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount.	NA. The Company does not have a subsidiary company.	NA. The Company does not have a subsidiary company.
(C)	<b>Associates</b> 1) Loans and advances in the nature of loans to subsidiaries by name and amount. 2) Loans and advances in the nature of loans to associates by name and amount. 3) Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount.	NA. The Company does not have an associate company.	NA. The Company does not have an associate company.
(D)	<b>To firms/companies in which directors are interested (other than (A) and (B) above)</b>	MM NIRMAL AND REAL ESTATE PRIVATE LIMITED MUTHOOTTU FINANCE AND SERVICES PRIVATE LIMITED KOZHENCHERRY PROPERTIES INDIA PRIVATE LIMITED MUTHOOTTU INFOTECH PRIVATE LIMITED MUTHOOTTU MINI THEATRES PRIVATE LIMITED MINI MUTHOOTTU CREDIT INDIA PRIVATE LIMITED MUTHOOTTU MINI HOTELS PVT LTD KANDAMATH CINE ENTERPRISES PVT LTD MUTHOOTTU MINI NIDHI LIMITED COCHIN MINI MUTHOOTTU NIDHI LIMITED	
(E)	<b>Holding Company</b> Investment by the loanee in the shares of the Parent Company and Subsidiary Company when the Company has made a loan or advance in the nature of loan	NA. The Company does not have a holding company.	NA. The Company does not have a holding company.
(F)	<b>Disclosures of transactions of the Company with any person or entity belonging to the promoter/promoter group which hold(s) 10% or more shareholding in the Company, in the format prescribed in the relevant accounting standards for annual results.</b>	596.39 lakhs Please see Point 4 of Accompanying Notes to Financial Statements.	635.62 lakhs

For and on behalf of the Board of Directors

**Mathew Muthoottu**

Managing Director

DIN: 01786534

**Nizzy Mathew**

Chairman & Whole Time Director

DIN: 01680739

Date: 14-08-2023

Place: Kochi

## ANNEXURE- 8

### Related Party Transaction Policy

- a) Details of all material transactions with related parties shall be disclosed in the annual report:

No material transactions entered by the Company with its related parties, except availing corporate guarantee and collateral security from M/s Muthoottu Mini Hotels Private Limited & Muthoottu Mini Theatres Private Limited for availing credit facilities from Banks. The transactions are disclosed under the head “c) Charge created on assets of the related party”. Those transaction was approved by the Board on 20-05-2022 and by members in their extra ordinary general meeting held on 29-06-2022.

- b) The company has disclosed the policy on dealing with Related Party Transactions on its website:  
[https://www.muthoottumini.com/wp-content/uploads/2023/01/RPT\\_policy\\_mmfl-12-11-2022.pdf](https://www.muthoottumini.com/wp-content/uploads/2023/01/RPT_policy_mmfl-12-11-2022.pdf) and the same is attached as Annexure-8(ii).

### For and on behalf of the Board of Directors

**Mathew Muthoottu**

Managing Director

DIN: 01786534

**Nizzy Mathew**

Chairman & Whole Time Director

DIN: 01680739

Date: 14-08-2023

Place: Kochi



# ANNEXURE- 8(ii)

## MUTHOOT MINI FINANCIERS LIMITED

### MATERIALITY POLICY & POLICY ON RELATED PARTY TRANSACTION

Reviewed in the Meeting of Board of Directors held on 12-11-2022

#### I. INTRODUCTION

Companies Act, 2013, Accounting Standards (AS-18) and SEBI regulations are primary regulations which provide for regulation of related party transactions of the Company. SEBI has mandated every listed company to formulate a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions. Muthoottu Mini Financiers Limited ("the Company") in conformity with its good standard of governance practices conducts its business in a fair and transparent manner duly complying with the applicable laws as in force.

#### II. OBJECTIVE

This Policy is intended to ensure due and timely identification, approvals, disclosure and reporting of transactions including the materiality of such transactions between the Company and any of its Related Parties in compliance with the applicable laws and regulations as may be amended from time to time.

#### III. DEFINITIONS

**"Audit Committee" or "the Committee"** means the committee of Board of Directors of the Company constituted under the provisions of Regulation 18 of the SEBI (LODR) Regulations, 2015 read with Section 177 of the Companies Act, 2013;

**"Arms-length transaction – means a transaction between two related party that is conducted as if they were unrelated so that there is no conflict of interest.**

**"Board"** means Board of Directors of the Company;

**"Key Managerial Personnel" "KMP"** means key managerial personnel as defined in sub-section (51) of section 2 of the Companies Act, 2013 For the purpose of this policy definition of KMP as per Ind AS 24 will also be applicable.

**"Turnover"** means the aggregate value of the realisation of amount made from the sale, supply or distribution of goods or on account of services rendered, or both, by the Company during a financial year. "Revenue from Operations" is considered as Turnover of the Company.

**"Material Related Party Transactions"** means a transaction with a Related Party if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the company as per the last audited financial statements of the company or Rs.1,000 Crores, whichever is less;

Notwithstanding the above, a transaction involving payments made to a related party with respect to brand usage or royalty shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed five percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity

**"Related Party"** means related party as defined under Regulation 2(1)(zb) of the SEBI (LODR) Regulations, 2015 or under Ind AS 24 and:

- i Any person or entity forming part of the promoter or promoter group of the Company;
- ii. Any person or entity holding equity shares of 20% or more, (10% or more with effect from 01st April, 2023) in the Company, either directly or indirectly or on a beneficial interest basis (as per Section 89 of the Act) at any time during the immediate preceding financial year.

**"Related Party Transaction"** a means related party transaction as defined under Regulation 2(1)(zc) of the SEBI (LODR) Regulations, 2015;

**"Relative"** means relative as defined under sub-section (77) of section 2 of the Companies Act, 2013 and rules prescribed there under.

All other words and expressions used but not defined in this policy, but defined in the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992, and SEBI (LODR) Regulations, 2015 and Ind AS 24 shall have the same meaning as respectively assigned to them in such Acts or rules or regulations or any statutory modification or re-enactment thereto, as the case maybe.

#### IV. POLICY:

All Related Party Transactions shall require prior approval of the Audit Committee comprising of a quorum of only Independent Directors being members of the said Committee approving the same. Such approval shall be only at a meeting of the Audit Committee and not by circulation.

All proposed Related Party Transactions and subsequent material modification of such Related Party Transaction must be presented before the Audit Committee for prior approval by the Independent Directors of the Committee.

In the case of frequent / regular / repetitive transactions which are in the normal course of business of the Company, and satisfy the arms-length basis the Committee may grant omnibus approval.

#### V. TRANSACTIONS THAT ARE CONSIDERED AS RELATED PARTY TRANSACTIONS:

Following types of the transactions considered as related party as per section 188 of Companies Act 2013:

- (a) Sale, purchase or supply of any goods or materials;
- (b) Selling or otherwise disposing of, or buying, property of any kind;
- (c) Leasing of property of any kind;
- (d) Availing or rendering of any services;
- (e) Appointment of any agent for purchase or sale of goods, materials, services or property;
- (f) Such related party's appointment to any office or place of profit or a Key Managerial Personnel in the company, its subsidiary company or associate company; and
- (g) Underwriting the subscription of any securities or derivatives thereof, of the company.

Types of the transactions considered as related party transaction as per Reg. 2(1)(zc) of SEBI(LODR) Regulations, 2015

A transaction involving a transfer of resources, services or obligations between

- (i) A listed entity or any of its subsidiaries on one hand and a related party of the listed entity or any of its subsidiaries on the other hand
- (ii) A listed entity or any of its subsidiaries on one hand and any other person or entity on the other hand the purpose and effect of which is to benefit a related party of the listed entity or any of its subsidiaries with effect from April 01 2023

Regardless of whether a price is charged and a transaction with a related party shall be construed to include a single transaction or group of transactions in a contract.

As per and IND AS-24, of the Companies (Indian Accounting Standards) Rules, 2015 following are examples of transactions that are disclosed if they are with a related party:

- (a) Purchases or sales of goods (finished or unfinished);
- (b) Purchases or sales of property and other assets;
- (c) Rendering or receiving of services;
- (d) Leases;
- (e) Transfer of research and development;
- (f) Transfer under license agreements;
- (g) Transfer under finance arrangements (including loans and equity contribution in cash or in kind);
- (h) Provision of Guarantees and Collaterals;
- (i) Commitments to do something if a particular event occurs or not occur in the future, including executory contracts (recognized and unrecognized)
- (j) Settlement of liabilities on behalf of the entity or by the entity on behalf of that related party;
- (k) Management contracts including for deputation of employees.

Parties are considered to be related under IND AS 24, if one party has the ability to control the other party or exercise significant influence over the other party, directly or indirectly, in making financial and/or operating decisions and includes the following:

1. A person or a close member of that person's family is related to a company if that person:
  - a. has control or joint control or significant influence over the Company; or
  - b. is a key management personnel of the Company or of a parent of the Company;
2. An entity is related to a company if any of the following conditions applies:
  - a. The entity is a related party under Section 2(76) of the Companies Act, 2013; or
  - b. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member); or
  - c. Both entities are joint ventures of the same third party; or
  - d. One entity is a joint venture of a third entity and the other entity is an associate of the third entity; or
  - e. The entity is controlled or jointly controlled by a person identified in (1); or
  - f. A person identified in (1)(b) has significant influence over the entity (or of a parent of the entity);

#### **VI. TRANSACTIONS THAT ARE NOT CONSIDERED AS RELATED PARTY TRANSACTIONS:**

The following transactions are not considered as Related Party Transactions

- a) The issue of specified securities on a preferential basis, subject to compliance of the requirements under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018
- b) The Corporate actions by the listed entity which are uniformly applicable/offered to all shareholders in proportion to their shareholding
  - (i) Payment of dividend;
  - (ii) Subdivision or consolidation of securities;
  - (iii) Issuance of securities by way of a rights issue or a bonus issue; and
  - (iv) Buy-back of securities

#### **VII. IDENTIFICATION OF RELATED PARTIES AND INTERESTED DIRECTOR WITH RESPECT TO TRANSACTIONS:**

Every Director/KMP will be responsible for providing a declaration in containing the following information to the Company Secretary on an annual basis:

1. Names of his / her Relatives;
2. Partnership firms in which he / she or his / her Relative is a partner;
3. Private Companies in which he / she or his / her Relative is a member or Director;
4. Public Companies in which he / she is a Director and holds along with his/her Relatives more than 2% of paid up share capital as at the end of immediate preceding financial year;
5. Any Body Corporate whose Board of Directors, Managing Director or Manager is accustomed to act in accordance with his / her advice, directions or instructions (other than advice, directions or instructions obtained from a person in professional capacity);
6. Persons on whose advice, directions or instructions, he / she is accustomed to act (other than advice, directions or instructions obtained from a person in professional capacity); and
7. Body Corporate or any Association of Individuals in which he / she or his / her Relative is a Director or owner or Partner or Promoter or Manager or Chief Executive Officer of Body Corporate or Member of the Association of Individuals.

#### **VIII. APPROVAL BY AUDIT COMMITTEE:**

Transactions that require prior approval of Audit Committee

- a) All Related Party Transactions and subsequent material modifications to such Related Party Transactions;
- b) Related Party Transactions to which subsidiary of MMFL (If any) is a party but MMFL is not a party shall require prior approval of Audit committee of MMFL if the value of such transactions whether entered into individually or taken together with previous transactions during a financial year exceeds ten percent of the annual consolidated turnover as per the last audited financial statements of MMFL;

- c) With effect from April 1, 2023 Related Party Transactions to which subsidiary of MMFL is a party but MMFL is not a party shall require prior approval of Audit committee of MMFL if the value of such transactions whether entered into individually or taken together with previous transactions during a financial year exceeds ten percent of the annual standalone turnover as per the last audited financial statements of the Subsidiary.

#### **Material Modification**

Any material modification to the terms approved by the Audit Committee for the Related Party Transactions will require its prior approval. The following terms shall be considered as material terms in respect of every Related Party Transaction, except financial transactions:

- Substitution of the name of the Related Party arising due to succession, corporate re-structuring, acquisition etc.
- Nature of goods or services
- Total value of the Related Party Transaction
- Period approved for Related Party Transaction
- Miscellaneous terms such as advance payable, warranty terms, credit period, interest payable on default in payment.

In respect of financial transactions like providing of loan, inter-corporate deposit:

- Substitution of the name of the Related Party arising due to succession, corporate re-structuring, acquisition etc.
- Quantum of loan or inter-corporate deposit.
- Interest related terms including interest holiday, if any, security terms, if any
- Period
- Repayment terms

#### **Information to be placed before Audit Committee:**

The following information shall be placed before the Audit Committee of the Board of Directors to enable the independent directors who are members of the Audit Committee to consider and decide on the approval in respect of Related Party Transactions:

- Type, material terms and particulars of the proposed transaction;
- Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise);
- Tenure of the proposed transaction (particular tenure shall be specified);
- Value of the proposed transaction;
- The percentage of the Company's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction (and for a Related Party Transaction involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided);
- If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the Company or its subsidiary:
  - Details of the source of funds in connection with the proposed transaction;
  - Where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments,
    - nature of indebtedness;
    - cost of funds and tenure
  - Applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and
  - The purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the related party transactions.
- Justification as to why the Related Party Transaction is in the interest of the Company;
- A copy of the valuation or other external party report, if any such report has been relied upon;



- i. Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed related party transaction, on a voluntary basis;
- j. Methodology used for determination of arms-length
- j. Any other information that may be relevant

The Audit Committee of the Board shall also review the status of long-term (more than one year) or recurring related party transactions on an annual basis.

#### **Factors to be considered by the Audit Committee**

While considering any related party transaction, the Committee shall also take into account all relevant facts and circumstances including the terms of the transaction, the business purpose of the transaction, the benefits to the Company and to the Related Party, and any other relevant matters as specified in the relevant applicable circulars issued by SEBI from time to time

Prior to the approval, the Committee may, inter-alia, consider the following factors to the extent relevant to the transaction:

- a. Whether the terms of the Related Party Transaction are in the ordinary course of the Company's business and are on an arm's length basis;
- b. Whether the transaction could be material or significant by value;
- c. The business reasons for the Company to enter into the Related Party Transaction and the nature of alternative options available, if any;
- d. Whether the Related Party Transaction includes any potential reputational risks or misuse of corporate assets that may arise as a result of or in connection with the proposed Transaction; and
- e. Whether the Related Party Transaction would affect the independence or present a conflict of interest for any Director or Key Managerial Personnel of the Company, taking into account the size of the transaction, the overall financial interest or benefit to the Director, Key Managerial Personnel or other Related Party concerned, the direct or indirect nature of the Director's interest, Key Managerial Personnel's or other Related Party's interest in the transaction and the ongoing nature of any proposed relationship and any other factors the Committee deems relevant.
- f. While considering the arm's length nature of the transaction, the Committee may take into account the facts and circumstances as were applicable at the time of entering into the transaction with the Related Party. The Committee may also take into consideration subsequent events (i.e., events after the initial transactions have commenced) like evolving business strategies / short term commercial decisions to improve / sustain market share, changing market dynamics, local competitive scenario, economic / regulatory conditions affecting the global / domestic industry, may impact profitability but may not have a bearing on the otherwise arm's length nature of the transaction.

#### **Omnibus Approval**

For granting omnibus approval, the committee shall specify the following details:

- a. Name of the related party;
- b. Nature of the transaction;
- c. Period of the transaction;
- d. Maximum amount of the transactions that can be entered into;
- e. Indicative base price / current contracted price and formula for variation in price, if any;
- f. Justification for the omnibus approval.

Such transactions will be deemed to be pre-approved and may not require any further approval of the Audit Committee for each specific transaction for the specific period approved.

The Audit Committee shall, review quarterly and take note of all Related Party Transactions for which omnibus approval has been granted by the Audit Committee.

The omnibus approval shall be valid for a period of one financial year however subject to quarterly review and fresh approval shall be obtained after the expiry of one year.

#### **IX. APPROVAL BY THE BOARD:**

If the Committee determines that a Related Party Transaction should be brought before the Board or a Related Party Transaction is not in the Ordinary Course of Business or not at Arms' Length or is a material related party transaction or if the Board in any case elects to review any such matter or it is mandatory under any law for Board to approve the Related Party Transaction, then the Board shall consider and approve the Related Party Transaction at a meeting.

The Board shall take note of all transactions approved by the Audit committee

## **X. APPROVAL BY SHAREHOLDERS**

The Board of Directors of the Company shall mandatorily place before the members of the Company, all Material RPTs and subsequent material modifications to existing RPT for their approval prior to undertaking such transactions.

Except with the prior approval of the Shareholders by a resolution, a company shall not enter into any RPTs as mandated under Section 188 of Companies Act, 2013 read with Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014, material related party transactions and/or subsequent material modifications to related party transactions as Stipulated in Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015

In all cases, where shareholders' approval is necessary for any RPT, the Company Secretary shall ensure that the agenda of the Board meeting at which the resolution is proposed to be moved shall disclose-

- a. All the information provided by the management of the Company to the Audit Committee;
- b. Any other information that may be relevant

The Company Secretary shall ensure that the explanatory statement to be annexed to the notice of a general meeting convened for obtaining approval of members in relation to the proposed RPTs shall contain the following particulars:

- a. Summary of the information provided by the management of the Company to the Audit Committee;
- b. Justification for why the proposed transaction is in the interest of the Company;
- c. Where the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary, the details placed before the Audit Committee except the information on source of funds and cost of funds.
- d. A statement that the valuation or other external report, if any, relied upon by the Company in relation to the proposed transaction will be made available through the registered email address of the shareholders;
- e. Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT, on a voluntary basis;
- f. Any other information that may be relevant.

The Board shall be ultimately responsible for seeking approvals from shareholders as per the requirements of Applicable Laws which may vary from time to time.

## **XI. DISCLOSURE, RECORDING AND REPORTING OF RELATED PARTY TRANSACTIONS:**

- a. Company shall disclose each year in the Audited Financial Statements transactions with Related Parties as prescribed in the applicable Accounting Standard as well as accounting policies governing transactions with Related Parties.
- b. Disclosure in the Board's Report to the shareholders shall be made as prescribed under Companies Act, 2013.
- c. Company shall submit along with publication of half yearly financial results, Standalone or Consolidated as may be applicable, disclosures of all RPTs, in the format specified by SEBI to the stock exchanges and publish the same on its website.
- d. The Company Secretary shall make necessary entries in the Register of Contracts required to be maintained under the Companies Act, 2013.

## **XII. POLICY REVIEW:**

Board shall review the overall policy once in three years and modify or update the same in accordance with the changes to the threshold limits or as may be required by the amendments to Applicable Laws.

## **XIII. AMENDMENT IN LAW:**

Any subsequent amendment/modification/in the SEBI(Listing Obligations and Disclosure Requirements) Regulations 2015 and /or applicable laws in this regard shall automatically apply to this policy.

## **For and on behalf of the Board of Directors**

**Mathew Muthoottu**  
Managing Director  
DIN: 01786534

**Nizzy Mathew**  
Chairman & Whole Time Director  
DIN: 01680739

Date: 14-08-2023

Place: Kochi

## ANNEXURE-9

### Declaration Compliance with the Code of Business Conduct and Ethics

As provided under Regulation 26(3) of SEBI (LODR) Regulations, 2015, all Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management for the financial year ended 31st March 2023.

**PE Mathai**

Chief Executive Officer

Muthoottu Mini Financiers Limited

**Mathew Muthoottu**

Managing Director

Muthoottu Mini Financiers Limited

DIN: 01786534

Date: 14-08-2023

Place: Kochi

## ANNEXURE 10

### CERTIFICATE ON CORPORATE GOVERNANCE

To,  
The Members,  
Muthoottu Mini Financiers Limited

I have examined the compliance of conditions of Corporate Governance by Muthoottu Mini Financiers Limited (hereinafter referred as "Company") for the Financial year ended March 31, 2023 as prescribed under Regulations 17 to 27 and other applicable regulations, Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "Listing Regulations").

In my opinion, and best to my examination of the relevant records and the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as prescribed under Listing Regulations.

I also state that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority

I further state that compliance of conditions of Corporate Governance is the responsibility of the management, and my examination was limited to procedures and implementation thereof adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

This certificate is issued solely for the purposes of complying with Listing Regulations and may not be suitable for any other purpose.

For Satheesh and Remesh, Company Secretaries

**N Satheesh Kumar**

Partner

Company Secretary in Practice

CP No 6607

UDIN: A016543E000799325

Place: Ernakulam

Date: 14-08-2023

## COMPLIANCE CERTIFICATE

*[Pursuant to Regulation 17(8) of the Securities and Exchange Board of India  
(Listing Obligations and Disclosure Requirements) Regulations, 2015]*

To

The Board of Directors  
Muthoottu Mini Financiers Limited

We hereby confirm and certify as under:

- A. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2023 and that to the best of our knowledge and belief:
- 1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - 2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have not come across any deficiencies in the design or operation of such internal controls which require reporting to Auditors or Audit Committee.
- D. We have indicated to the auditors and the Audit committee that there are no:
- 1) significant changes in internal control over financial reporting during the year;
  - 2) significant changes in accounting policies during the year; and
  - 3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**Ann Mary George**  
Chief Financial Officer

**Mathai PE**  
Chief Executive Officer

Date: 17-08-2023

Place: Kochi



# 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, 2023, 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, 2023, and

## Key audit matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements of the current year. These matters were addressed in the context of our audit of the Ind AS 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 to be the key audit matters to be communicated in our report

Sl.No	Key Audit Matter	Auditor Response
1.	Expected credit loss on loans and advance	
	<p>The estimation of ECL on financial instruments involves significant judgments and estimates. As part of our risk assessment, we determined that the allowance for ECL on Loans Assets has a high degree of estimation of uncertainty, with a potential range of reasonable outcomes for the financial statements.</p> <p>The elements of estimating ECL which involved increased level of audit focus are the following: Data Inputs: The application of ECL model requires several data inputs Model Estimations: Inherently judgment models used for the estimation of probabilities of Default (PD), Loss given default (LGD) and Exposure at Default (EAD). The PD and LGD are the key drivers of the estimation of ECL. Qualitative and quantitative factors used in staging the loan assets measured at amortized cost. IndAS 109 requires the entity to measure the ECL on an unbiased forward looking basis reflecting a range of future economic conditions. The management measure the ECL considering the historical trends as well as considering macro-economic emerging trends.</p>	<p>We performed the following audit procedures:</p> <p>Testing the design and effectiveness of internal controls over the following: Key controls over the completeness and accuracy of key inputs, data and assumptions into the Ind AS 109 impairment models. Key controls over the application of the staging criteria consistent with the definition applied in accordance with the policy approved by the board of directors including the appropriateness of the qualitative factors</p> <p>Management control over authorization and calculation of post model adjustments and management overlays to the output of the ECL model Also, for a sample of ECL allowance on loan assets tested in respect of Key Inputs, data and assumptions impacting ECL calculations to assess the completeness, accuracy and relevance of data, Reasonableness and weights. We tested the mathematical accuracy of ECL calculations using the same inputs used by the company. Testing management's controls on compliance with disclosures to confirm the compliance with the relevant provisions of Ind AS 109 and the RBI directions. Evaluating the changes and updations during the year whether those changes and updates are appropriate or not.</p>

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 Statement

Sl.No	Key Audit Matter	Auditor Response
	Information Technology Systems and controls	
	The company's Key financial accounting and reporting process are highly dependent on the automated controls over the companies IT system, such that there exists a risk that gaps in the IT general control environment could result in a misstatement of the financial accounting and reporting records. Accordingly, we have considered user access management, segregation of duties and controls over system changeover of key financial accounting and reporting systems as a key audit matter.	<p>We performed the following audit procedures:</p> <p>Tested IT key controls over financial accounting and reporting system including access mechanism and processing of reports.</p> <p>Obtained management evaluation of access rights granted to applications relevant to financial accounting and reporting systems and tested resolution of a sample expectations.</p> <p>Evaluate the design and operating effectiveness of automated controls critical to financial accounting and reporting on random basis</p> <p>Considering the reports issued by the professional consultants with respect to IS Audit and IT Infrastructure.</p>

### Information Other Than Financial Statements and Auditors Report Thereon

The Company's Board of Directors is responsible for other information. The other information comprises of 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.

If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact, we have nothing to report in this regard.

### 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, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 relating 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 is also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of 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.

- c) Evaluate the appropriateness of accounting policies used and the reasonableness of the accounting estimates and related disclosures made by management.
- d) 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 in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However future events or conditions may cause the company to cease to continue as a going concern.
- e) 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.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report

because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("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 accounts of any of the branch offices audited under sub section 8 of section 143 by any person has been received by us and therefore no comments need to be made on the matter.
  - d. The balance sheet, 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, 2023 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, 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 other matters to be included in the Auditor's Report in accordance with the

requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- i. 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"
- j. 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, as amended, 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. The company does 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 18,73,052.00 being unclaimed matured debentures has been transferred to Investor Education & Protection Fund on 31.03.2023. 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 31.03.2023.
  - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including

foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- v. The company has not declared or paid any dividend during the year.
4. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31st March 2023.

#### **For RAMDAS & VENUGOPAL**

Chartered Accountants  
 FRN : 010669S

#### **CA SILPA RAMDAS, FCA**

Partner  
 Membership No. 211972  
 UDIN:23211972BGYRBJ5648

PLACE: Thrissur

DATE : May 17, 2023



## ANNEXURE-1

### TO THE AUDITOR'S REPORT

The Annexure 1 referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of the Our Report of even date to the members of Muthoot Mini Financiers Limited on the accounts of the company for the year ended 31st March, 2023.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

- i. (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, plant and Equipment;  
(B) The company has maintained proper records showing full particulars of Intangible 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) The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the company;
- (d) The company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets or both during the year;
- (e) No proceedings have been initiated or pending against the company under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder;
- ii. (a) The Company is a Non-Banking Financial Company engaged in the business of providing loans and does not hold any type of physical inventories. Therefore, the provisions of paragraph 3(ii)(a) of the Companies (Auditor's Report) Order, 2020 are not applicable to the Company;
- (b) During the year, the company has been sanctioned working capital limits in excess of rupees five crore, in aggregate, from banks or financial institutions on the basis of security of current assets including receivables. The statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company;
- iii. (a) The Company is a Non- Banking Financial Company engaged in the principal business of providing loans. Therefore, the provisions of paragraph 3(iii)(a) of the Companies (Auditor's Report) Order, 2020 are not applicable to the Company;
- (b) The terms and conditions of all the loans and advances granted by the company during the year are not prejudicial to the company's interest;
- (c) In our opinion and according to the information and explanations given to us the company, in respect of Micro finance and term loans, the schedule of repayment of principal and payment of interest has been stipulated. The repayments or receipts are regular except in 1661 loans, outstanding amounting to Rs. 364.95 Lakhs, against which appropriate provision has been made.
- (d) Out of the total loans and advances there are advances which are overdue for more than 90 days amounting to Rs.1399.81 Lakhs, against which appropriate provision has been made. The company has take necessary steps for the recovery of principal and interest. The details are given in the below table.

(₹ in Lakhs)

Type of Loan	No of Loans	Principal Overdue	Remarks
Gold Loan	1374	1,034.86	Since it's a NBFC their principal business is to give loans. The loans for which overdue for more than 90 days are treated as irregular and these cases are classified as NPA as per RBI IRACP norms. The income recognition of the above has been done as per RBI IRACP norms.
Micro finance	1660	273.02	
Loan against property	1	91.93	
<b>TOTAL</b>	<b>3035</b>	<b>1399.81</b>	

- (e) The Company is a Non-Banking Financial Company engaged in the principal business of providing loans. Therefore, the provisions of paragraph 3(iii) (e) of the Companies (Auditor's Report) Order, 2020 are not applicable to the Company;



- (f) The company has granted loans and advances in the nature of Gold Loans which are repayable on demand and the principal outstanding as on 31.03.2023 is Rs. 2,94,099.41 lakhs which constitute 90% of total loans outstanding. The company has not granted any loans repayable on demand to the promoters or related parties as defined in clause 76 of section 2 of Companies Act, 2013.
- 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. The Company has not accepted any Deposits or amounts which are deemed to be deposits from the public. Therefore the Directives issued by the Reserve Bank Of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Rules framed there under are not applicable to the Company. The Company has not received any order from the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal in this regard;
- vi. Being a Non-Banking Finance Company, maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013;
- vii. a) The Company is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service tax, Goods and Service Tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities wherever applicable to it. 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 liabilities forming part of the Financial Statements.
- viii. There are no transactions which were not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961);
- ix. (a) 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.
- (b) In our opinion and according to the information and explanation given to us, the company is not a declared willful defaulter by any bank or financial institution or other lender.
- (c) In our opinion and according to the information and explanation given to us, the term loan were applied for the purpose for which the loans were obtained.
- (d) In our opinion and according to the information and explanation given to us, the company has not utilized the funds raised on short term basis for long term purposes
- (e) In our opinion and according to the information and explanation given to us, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) In our opinion and according to the information and explanation given to us, the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- x. (a) In our opinion and according to the information and explanations given to us, money raised by way of further public offer of debt instruments obtained have been applied by the Company during the year for the purpose for which they have been raised.
- (b) In our opinion and according to the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.
- xi. (a) According to the information and explanations given to us, there were 9 fraud case amounting to Rs.58.61 lakhs reported in the company during the year, out of which 8 cases were in respect of spurious gold pledged with the company in 8 branches amounting to Rs.29.18 lakhs on which 21.91 Lakhs recovered during the year and 100% provision has been made for the balance outstanding. During the year company reported a fraud involving pledge of stolen/ absconded ornaments in collusion with branch head of the company and later on the ornaments were seized by the police department which created a loss to the company amounting to Rs. 29.43 lakhs out of which Rs. 0.75 lakhs was written off & Rs. 28.68 lakhs recovered during the year
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed by us in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;

- (c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.
- xii. The Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Companies (Auditor's Report) Order, 2020 are not applicable to the Company;
- 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 the Notes the financial statements of the Company as required by the applicable Ind AS.
- xiv. (a) The company has an internal audit system commensurate with the size and nature of its business;  
(b) The reports of the internal auditors for the period under audit were considered by us on a random basis, in determining the nature, timing and extent of our audit procedures in accordance with the guidance provided in SA 610 "Using the work of Internal Auditors".
- 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. (a) 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.  
(b) The company has conducted Non-Banking Financial activities with a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.  
(c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.  
(d) There are no CICs as part of the Group to which the company belongs
- xvii. According to the information and explanations given to us and based on our examination of the records of the Company, the company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly this clause is not applicable / paragraph 3(xviii) of the Order is not applicable
- xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date;
- xx. (a) In respect of other than ongoing projects, the company transferred to the Fund specified in Schedule VII to the Companies Act, 2013 in compliance with second proviso to Section 135(5) of said Act;  
(b) In respect of ongoing projects, the company does not have any unspent amount under sub-section (5) of section 135 of the Companies Act, 2013, to be transferred to special account in compliance with the provision of sub-section (6) of section 135 of the said Act;
- xxi. Since this is a standalone financial statement Paragraph 3(xxi) is not applicable

For **RAMDAS & VENUGOPAL**  
Chartered Accountants  
FRN : 010669S

Place : Thrissur  
Date : May 17, 2023

**CA SILPA RAMDAS, FCA**  
Partner  
Membership No. 211972  
UDIN:23211972BGYRBJ5648

## 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, 2023, 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 and issued our audit opinion dated 17th May 2023 thereon. These financial statements are the responsibility of the Company's management. Our responsibility was to express an opinion on these financial statements based on our audit. Our audit was conducted in the manner specified in the audit report. As required by the Non-Banking Financial Companies Auditors' Report (Reserve Bank) Direction, 2016, and according to the information and explanations given to us which to the best of our knowledge and belief were necessary for this purpose, we report hereunder 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, 2023
- 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 Financial Company – Systemically Important Non-Deposit taking Company and deposit taking Company (Reserve Bank) Directions, 2016.
- vi. The capital adequacy ratio as disclosed in the return submitted to RBI in terms of Master Direction – Non-Banking Financial Company – Systemically Important Non- deposit taking Company and Deposit taking Company (Reserve Bank) Direction, 2016, has been correctly arrived and such ratio is in compliance with the minimum CRAR as prescribed by the Reserve Bank of India.
- vii. The Company has furnished to RBI the annual statement of Capital Fund, risk assets and risk assets ratio within the stipulated period.
- viii. The Company has not been classified as NBFC-MFI for the year ended March 31, 2023
- ix. We have no responsibility to update this report for events and circumstances occurring after the date of our audit opinion mentioned in paragraph 1.

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

Place : Thrissur  
Date : May 17, 2023

For **RAMDAS & VENUGOPAL**  
Chartered Accountants  
FRN : 010669S

**CA SILPA RAMDAS, FCA**  
Partner  
Membership No. 211972  
UDIN:23211972BGYRBJ5648

## 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 2023.**

**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(i) 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, 2023 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, 2023, 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.

#### Auditors Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We have conducted our audit in accordance with the guidance note on audit of internal financial controls over financial reporting (the "Guidance Note") and the standards on auditing ("the Standards") issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

#### Meaning of Internal Financial 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.

Place : Thrissur  
Date : May 17, 2023

For **RAMDAS & VENUGOPAL**  
Chartered Accountants  
FRN : 010669S

**CA SILPA RAMDAS, FCA**  
Partner  
Membership No. 211972  
UDIN:23211972BGYRBJ5648



**MUTHOOTTU MINI FINANCIERS LIMITED**

CIN: U65910KL1998PLCO12154

Muthoottu Royal Tower, Kaloor, Kochi, Kerala - 682017

**BALANCE SHEET**
*(Rupees in Lakhs)*

Particulars		Note No.	As at March 31, 2023 (Audited)	As at March 31, 2022 (Audited)
<b>I. ASSETS</b>				
<b>1</b>	<b>Financial assets</b>			
a)	Cash and cash equivalents	1.1	14,913.36	35,532.73
b)	Bank Balance other than (a) above	1.2	20,589.07	15,124.54
c)	Receivables			
	(I) Trade receivables			
	(II) Other receivables			
d)	Loans	2	3,24,398.88	2,47,664.61
e)	Investments	3	980.53	904.58
f)	Other financial assets	4	2,386.03	2,167.49
<b>2</b>	<b>Non-financial Assets</b>			
a)	Inventories			
b)	Current tax assets (Net)		1,789.42	2,340.28
c)	Deferred tax assets (Net)		220.02	294.03
d)	Property, Plant and Equipment	5	19,389.58	18,428.37
e)	Other intangible assets	6	76.30	10.24
f)	Other non-financial assets	7	1,069.29	613.39
	<b>Total Assets</b>		<b>3,85,812.48</b>	<b>3,23,080.26</b>
<b>II. LIABILITIES AND EQUITY</b>				
<b>LIABILITIES</b>				
<b>1</b>	<b>Financial Liabilities</b>			
a)	Debt Securities	8	1,43,772.51	1,61,162.47
b)	Borrowings (other than debt securities)	9	1,52,665.35	77,321.61
c)	Subordinated liabilities	10	24,300.29	26,587.21
d)	Other financial liabilities	11	1,739.64	1,472.49
<b>2</b>	<b>Non-financial Liabilities</b>			
a)	Provisions	12	509.34	470.70
b)	Other non-financial liabilities	13	306.24	295.62
<b>3</b>	<b>EQUITY</b>			
a)	Equity share capital	14	24,952.54	24,952.54
b)	Other equity	15	37,566.57	30,817.62
	<b>Total Liabilities and Equity</b>		<b>3,85,812.48</b>	<b>3,23,080.26</b>

See accompanying notes to the financial statements  
For Muthoottu Mini Financiers Limited

As per our report of even date attached  
**For Ramdas & Venugopal**  
Chartered Accountants (FRN.010669S)

**Mathew Muthoottu (DIN: 1786534)**  
Managing Director

**Nizzy Mathew (DIN:01680739)**  
Whole-time Director

**CA Silpa Ramdas, FCA, DISA, DIRM**  
Partner (M.No. 211972)  
UDIN: 23211972BGYRBJ5648

**P.E.Mathai**  
Chief Executive Officer

**Ann Mary George, ACA**  
Chief Financial Officer

**K S Smitha, ACS**  
Company Secretary

Place: Kochi  
Date: 17th May, 2023

**MUTHOOTTU MINI FINANCIERS LIMITED**

CIN: U65910KL1998PLCO12154

Muthoottu Royal Tower, Kaloor, Kochi, Kerala - 682017

**STATEMENT OF PROFIT AND LOSS**
*(Rupees in Lakhs)*

Particulars		Note No.	Year ended March 31, 2023 (Audited)	Year ended March 31, 2022 (Audited)
	<b>Revenue from operations</b>			
(i)	Interest income	16	53,352.64	42,262.94
(ii)	Other income on loans	17	769.65	423.35
(iii)	Dividend income		-	-
(iv)	Rental income		119.04	117.29
(v)	Fees and Commission income		109.71	63.09
(vi)	Net gain on derecognition of financial instruments under amortised cost category		-	-
(vii)	Net gain on fair value changes	18	4.16	-
(viii)	Sales of services	19	16.25	28.53
(I)	<b>Total Revenue from operations</b>		<b>54,371.45</b>	<b>42,895.20</b>
(II)	Other Income	20	72.51	129.39
(III)	<b>Total Income (I + II)</b>		<b>54,443.96</b>	<b>43,024.59</b>
	<b>Expenses</b>			
(i)	Finance costs	21	28,349.16	22,365.39
(ii)	Net loss on fair value changes	18		0.13
(iii)	Impairment on financial instruments	22	(228.67)	726.85
(iv)	Employee benefits expenses	23	10,453.35	8,454.11
(v)	Depreciation, amortization and impairment	24	647.83	510.30
(vi)	Other expenses	25	7,045.07	5,025.34
(IV)	<b>Total Expenses (IV)</b>		<b>46,266.74</b>	<b>37,082.12</b>
(V)	<b>Profit before tax (III- IV)</b>		<b>8,177.22</b>	<b>5,942.47</b>
(VI)				
	Tax Expense:			
	(1) Current tax		1,374.76	1,156.43
	(2) Earlier years adjustments			
	(3) Deferred tax		74.01	156.64
(VII)	<b>Profit for the year (V- VI)</b>		<b>6,728.45</b>	<b>4,629.40</b>
A)	<b>Other Comprehensive Income</b>			
	(i) Items that will not be reclassified to profit or loss			
	- Remeasurement of defined benefit plans		20.50	(271.72)
	- 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		-	79.13
	<b>Subtotal (A)</b>		<b>20.50</b>	<b>(192.59)</b>
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		-	-
	<b>Subtotal (B)</b>		<b>-</b>	<b>-</b>

## MUTHOOTTU MINI FINANCIERS LIMITED

CIN: U65910KL1998PLCO12154

Muthoottu Royal Tower, Kaloor, Kochi, Kerala - 682017

### STATEMENT OF PROFIT AND LOSS

(Rupees in Lakhs)

Particulars		Note No.	Year ended March 31, 2023 (Audited)	Year ended March 31, 2022 (Audited)
(VIII)	Other Comprehensive Income (A + B) (VIII)		20.50	(192.59)
(IX)	Total Comprehensive Income for the year (VII+VIII)		6,748.95	4,436.81
	<b>Earnings per equity share</b>			
	(Face value of Rs. 100/- each)			
	Basic (Rs.)	26	26.96	18.55
	Diluted (Rs.)	26	26.96	18.55

See accompanying notes to the financial statements  
For Muthoottu Mini Financiers Limited

As per our report of even date attached  
**For Ramdas & Venugopal**  
Chartered Accountants (FRN.010669S)

**Mathew Muthoottu (DIN: 1786534)**

Managing Director

**Nizzy Mathew (DIN:01680739)**

Whole-time Director

**CA Silpa Ramdas, FCA, DISA, DIRM**

Partner (M.No. 211972)

UDIN: 23211972BGYRBJ5648

**P.E.Mathai**

Chief Executive Officer

**Ann Mary George, ACA**

Chief Financial Officer

**K S Smitha, ACS**

Company Secretary

Place: Kochi

Date: 17th May, 2023

**MUTHOOTTU MINI FINANCIERS LIMITED**

CIN: U65910KL1998PLCO12154

Muthoottu Royal Tower, Kaloor, Kochi, Kerala - 682017

**CASH FLOW STATEMENT**
*(Rupees in Lakhs)*

Particulars	For the year Ended March 31, 2023 (Audited)		For the year Ended March 31, 2022(Audited)	
<b>A. Cash Flow from Operating Activities</b>				
Profit before tax		8,177.22		5,942.47
Adjustments for :				
Impairment on financial instruments	-228.67		726.85	
Net (gain)/loss on fair value changes	-4.16		0.13	
Net (Profit) / Loss on Sale of assets	-8.81		1.27	
Finance Costs	28,349.16		22,365.39	
Depreciation, amortization and impairment	647.83		510.30	
Income from Non-Operating Business				
- Rental Income	-119.04		-117.29	
- Dividend Income	-	28,636.31		23,486.65
Operating Profit / (Loss) before working capital Adjustments		36,813.53	-	29,429.12
Adjustments for :				
Loans	-76,498.62		-50,490.28	
Investments	-71.80		-900.00	
Other financial assets	-211.56		25.31	
Other non financial assets	-455.90		-232.57	
Bank Balance other than "Cash and cash equivalents"	-5,464.53		-7,265.27	
Provisions	18.14		42.33	
Other financial liabilities	267.15		-204.35	
Other non financial liabilities	10.62	-82,406.50	-34.13	-59,058.96
Cash Generated from operations		-45,592.97		-29,629.84
Income Tax paid		-823.90		-1,676.17
Finance cost paid		-28,079.84		-22,533.53
<b>Net Cash Flow from Operating Activity</b>		<b>-74,496.71</b>		<b>-53,839.54</b>
<b>B. Cash Flow from Investment Activities</b>				
Dividend Income		-		-
Rental Income		119.04		117.29
Sale of Fixed Assets		38.91		172.15
Purchase of Fixed Assets		-1,678.15		-353.84
<b>Net Cash Flow from Investment Activity</b>		<b>-1,520.20</b>		<b>-64.40</b>
<b>C. Cash Flow from Financing Activity</b>				
Net increase/(Decrease) in Borrowings(other than debt securities)		75,343.74		40,339.15
Net increase/(Decrease) in Subdebt		-2,286.92		-7,214.97
Net increase/(Decrease) in Debt Securities		-17,659.28		33,263.79
<b>Net Cash Flow from Financing Activity</b>		<b>55,397.54</b>		<b>66,387.97</b>
Net Increase/(Decrease) in Cash & Cash Equivalents(A+B+C)		-20,619.37		12,484.03

## MUTHOOTTU MINI FINANCIERS LIMITED

CIN: U65910KL1998PLCO12154

Muthoottu Royal Tower, Kaloor, Kochi, Kerala - 682017

### CASH FLOW STATEMENT

(Rupees in Lakhs)

Particulars	For the year Ended March 31, 2023 (Audited)		For the year Ended March 31, 2022(Audited)	
Opening Balance of Cash & Cash Equivalents		35,532.73		23,048.70
<b>Closing Balance of Cash &amp; Cash Equivalents</b>		<b>14,913.36</b>		<b>35,532.73</b>
<b>Components of Cash and Cash Equivalents</b>				
Current Account with Banks		3,110.24		10,721.33
Deposit with Banks		10,899.64		22,976.57
Cash in Hand		903.48		1,834.83
		<b>14,913.36</b>		<b>35,532.73</b>

See accompanying notes to the financial statements  
For Muthoottu Mini Financiers Limited

As per our report of even date attached  
**For Ramdas & Venugopal**  
Chartered Accountants (FRN.010669S)

**Mathew Muthoottu (DIN: 1786534)**

Managing Director

**Nizzy Mathew (DIN:01680739)**

Whole-time Director

**CA Silpa Ramdas, FCA, DISA, DIRM**

Partner (M.No. 211972)

UDIN: 23211972BGYRBJ5648

**P.E.Mathai**

Chief Executive Officer

**Ann Mary George, ACA**

Chief Financial Officer

**K S Smitha, ACS**

Company Secretary

Place: Kochi

Date: 17th May, 2023



**MUTHOOTTU MINI FINANCIERS LIMITED**

CIN: U65910KL1998PLCO12154

Muthoottu Royal Tower, Kaloor, Kochi, Kerala - 682017

**STATEMENT OF CHANGES IN EQUITY**
**a. Equity Share Capital**

Equity shares of Rs. 100/- each issued, subscribed and fully paid

(Rupees in Lakhs)

Particulars	As at March 31, 2023 (Audited)	As at March 31, 2022 (Audited)
<b>As at the beginning of the period</b>	24,952.54	24,952.54
Changes in Equity Share Capital due to prior period items	-	-
Restated balance at the beginning of the current reporting period	24,952.54	24,952.54
Changes in equity share capital during the current year	-	-
<b>Balance at the end of current reporting period</b>	24,952.54	24,952.54

**b. Other Equity**

(Rupees in Lakhs)

Particulars	Reserves and Surplus						Other comprehensive income		Total
	Special Reserve Fund(u/s 45 IC of RBI Act, 1934)	Securities Premium	Impairment Reserve	Debt-ture Redemption Reserve	Revaluation Reserve	Retained Earnings	Equity instruments through Other Comprehensive Income	Other Items of Other Comprehensive Income (Remeasurement of defined benefit plans)	
<b>Balance as at March 31, 2021</b>	5,374.68	7,844.15	-	-	350.00	12,833.64	-	-21.66	26,380.81
Transfer from Retained earnings	925.88								925.88
Securities premium on share options exercised during the year									-
Amount transferred									-
Profit for the period						4,629.40		-192.59	4,436.81
Transfer to Special Reserve Fund						-925.88			-925.88
Transfer from/(to) Debt-ture Redemption Reserve				-		-			-
<b>Balance as at March 31, 2022</b>	6,300.56	7,844.15	-	-	350.00	16,537.16	-	-214.25	30,817.62
Transfer from Retained earnings	1,349.79		167.95						1,517.74
Securities premium on share options exercised during the year									-
Amount transferred									-
Profit for the period						6,728.45		20.50	6,748.95
Transfer to Special Reserve Fund						-1,349.79			-1,349.79
Transfer from/(to) Debt-ture Redemption Reserve									-
Transfer to Impairment Reserve						-167.95			-167.95
<b>Balance as at March 31, 2023</b>	7650.35	7,844.15	167.95		350.00	21,747.87	-	-193.75	37,566.57

See accompanying notes to the financial statements  
For Muthoottu Mini Financiers Limited

As per our report of even date attached  
**For Ramdas & Venugopal**  
Chartered Accountants (FRN.010669S)

**Mathew Muthoottu (DIN: 1786534)**  
Managing Director

**Nizzy Mathew (DIN:01680739)**  
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**P.E.Mathai**  
Chief Executive Officer

**Ann Mary George, ACA**  
Chief Financial Officer

**K S Smitha, ACS**  
Company Secretary

Place: Kochi  
Date: 17th May, 2023

# Notes to financial statements for the Year ended March 31, 2023

## Note 1.1: Cash and cash equivalents

*(Rupees in Lakhs)*

Particulars	As at March 31, 2023 (Audited)	As at March 31, 2022 (Audited)
Cash on hand	903.48	1,834.83
Balances with Banks		
- in current accounts	3,110.24	10,721.33
- in fixed deposit (maturing within a period of three months)	10,899.64	22,976.57
<b>Total</b>	<b>14,913.36</b>	<b>35,532.73</b>

## Note 1.2: Bank balance other than cash and cash equivalents

*(Rupees in Lakhs)*

Particulars	As at March 31, 2023 (Audited)	As at March 31, 2022 (Audited)
Fixed deposits with bank (maturing after period of three months)	20,589.07	15,124.54
<b>Total</b>	<b>20,589.07</b>	<b>15,124.54</b>

## Note 1.3 : Additional details of Fixed Deposits

*(Rupees in Lakhs)*

Particulars	As at March 31, 2023 (Audited)	As at March 31, 2022 (Audited)
Fixed deposits given as security for borrowings	29,772.00	13,823.56
Fixed deposits given as security for guarantees	1,716.71	1,626.60
Fixed deposits held for redemption of debentures*	-	-
Free held fixed deposits	-	22,650.95
<b>Total</b>	<b>31,488.71</b>	<b>38,101.11</b>

\*The fixed deposit of Rs.900 Lakhs, Rs. 2,098.07 lakhs and 1,133.22 lakhs has been deposited on 11/04/2023, 28/04/2023 and 29/04/2023 respectively

## Note 2: Loans

*(Rupees in Lakhs)*

Particulars	As at March 31, 2023 (Audited)					
	Amortised Cost	At Fair value				Total
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Sub-total	
(A)						
i) Loans repayable on demand					-	-
ii) Term loans	3,26,278.27				-	3,26,278.27
iii) Leasing					-	-
iv) Factoring					-	-
v) Others					-	-
Total (A) - Gross	3,26,278.27					3,26,278.27
Less: Impairment loss allowance	1,879.39				-	1,879.39
Total (A) - Net	3,24,398.88	-	-	-	-	3,24,398.88
(B)						
I) Secured by tangible assets						
Gold Loan	3,04,876.78					3,04,876.78
Loan Against Property	688.32					688.32
Total (I) - Gross	3,05,565.10	-	-	-	-	3,05,565.10
Less: Impairment loss allowance	1,415.00					1,415.00

Particulars	As at March 31, 2023 (Audited)					
	Amortised Cost	At Fair value				Total
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Sub-total	
<b>Total (I) - Net</b>	<b>3,04,150.10</b>	-	-	-	-	<b>3,04,150.10</b>
<b>II) Covered by Bank / Government Guarantees</b>						
<b>III) Unsecured</b>						
Microfinance	20,713.17					20,713.17
<b>Total (III) - Gross</b>	<b>20,713.17</b>	-	-	-	-	<b>20,713.17</b>
Less: Impairment loss allowance	464.39					464.39
<b>Total (III) - Net</b>	<b>20,248.78</b>	-	-	-	-	<b>20,248.78</b>
<b>Total (B) (I+II+III) - Net</b>	<b>3,24,398.88</b>					<b>3,24,398.88</b>
<b>(C) (I) Loans in India</b>						
i) Public Sector						-
ii) Others	3,26,278.27					3,26,278.27
<b>(C) (II) Loans outside India</b>	-					
<b>Total (C) - Gross</b>	<b>3,26,278.27</b>	-	-	-	-	<b>3,26,278.27</b>
Less: Impairment loss allowance	1,879.39					1,879.39
<b>Total (C)- Net</b>	<b>3,24,398.88</b>	-	-	-	-	<b>3,24,398.88</b>

Particulars	As at March 31, 2022 (Audited)					
	Amortised Cost	At Fair value				Total
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Sub-total	
(A)						
i) Loans repayable on demand					-	-
ii) Term loans	2,49,860.46				-	2,49,860.46
iii) Leasing					-	-
iv) Factoring					-	-
v) Others					-	-
<b>Total (A) - Gross</b>	<b>2,49,860.46</b>					<b>2,49,860.46</b>
Less: Impairment loss allowance	2,195.85				-	2,195.85
<b>Total (A) - Net</b>	<b>2,47,664.61</b>	-	-	-	-	<b>2,47,664.61</b>
(B)						
<b>I) Secured by tangible assets</b>						
Gold Loan	2,42,697.48					2,42,697.48
Loan Against Property	727.55					727.55
<b>Total (I) - Gross</b>	<b>2,43,425.03</b>	-	-	-	-	<b>2,43,425.03</b>
Less: Impairment loss allowance	1,619.29					1,619.29
<b>Total (I) - Net</b>	<b>2,41,805.74</b>	-	-	-	-	<b>2,41,805.74</b>
<b>II) Covered by Bank / Government Guarantees</b>						
<b>III) Unsecured</b>						
Microfinance	6,435.43					6,435.43
<b>Total (III) - Gross</b>	<b>6,435.43</b>	-	-	-	-	<b>6,435.43</b>
Less: Impairment loss allowance	576.56					576.56
<b>Total (III) - Net</b>	<b>5,858.87</b>	-	-	-	-	<b>5,858.87</b>

Particulars	As at March 31, 2022 (Audited)					
	Amortised Cost	At Fair value				Total
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Sub- total	
Total (B) (I+II+III) - Net	2,47,664.61					2,47,664.61
(C) (I) Loans in India						
i) Public Sector						-
ii) Others	2,49,860.46					2,49,860.46
(C) (II) Loans outside India	-					
Total (C) - Gross	2,49,860.46	-	-	-	-	2,49,860.46
Less: Impairment loss allowance	2,195.85					2,195.85
Total (C)- Net	2,47,664.61	-	-	-	-	2,47,664.61

## 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).

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 ECL provision computed as per the policy laid down under significant accounting policies is Lower than the provision as per IRACP norms, the company has been appropriated the difference from the net profit after tax to a separate 'impairment reserve'.

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

### Reconciliation of Loan Outstanding

(Rupees in Lakhs)

Year ended March 31, 2023				
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	2,38,296.72	10,037.39	1,526.35	2,49,860.46
Add: New Assets/increase/(Decrease) in Interest accrued	9,55,537.33	282.61	-65.65	9,55,754.29
Assets repaid	-8,70,362.00	-8,552.76	-419.23	-8,79,333.99
Transfer to Stage 1	-7,021.84			-7,021.84
Transfer to Stage 2		6,658.34		6,658.34
Transfer to Stage 3			363.50	363.50
Write off	9.42	-6.75	-5.16	-2.49
Closing carrying amount	3,16,459.63	8,418.83	1,399.81	3,26,278.27

Year ended March 31, 2022				
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	1,72,820.18	24,880.02	1,721.16	1,99,421.36
Add: New Assets/increase/(Decrease) in Interest accrued	6,91,986.47	-1,391.61	-	6,90,594.86
Assets repaid	-6,17,437.32	-21,994.44	-672.82	-6,40,104.58
Transfer to Stage 1	-9,050.69			-9,050.69
Transfer to Stage 2		8,551.14		8,551.14
Transfer to Stage 3			499.55	499.55
Write off	-21.92	-7.72	-21.54	-51.18
Closing carrying amount	2,38,296.72	10,037.39	1,526.35	2,49,860.46



## Reconciliation of ECL Balance

(Rupees in Lakhs)

Year ended March 31, 2023				
ECL	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	1,493.15	60.61	227.47	1,781.23
New Assets/increase in Interest accrued	5,823.38	1.55	-	5,824.93
Assets repaid	-5,150.43	-55.80	-58.06	-5,264.29
Transfer to Stage 1	-46.04			-46.04
Transfer to Stage 2		43.84		43.84
Transfer to Stage 3			46.84	46.84
Write off	-0.06	-0.06	-18.76	-18.88
Impact of revision of ECL rates	-482.72	-9.17	-12.37	-504.26
Impact of MTM Loss	-	-	-	-
Additional Provision	5.04	10.98	-	16.02
Closing carrying amount	1,642.32	51.95	185.12	1,879.39

  

Year ended March 31, 2022				
ECL	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	1,117.35	185.82	224.00	1,527.17
New Assets/increase in Interest accrued	4,028.92	- 8.05	-	4,020.87
Assets repaid	-3,596.59	-128.07	-79.54	-3,804.20
Transfer to Stage 1	-54.75			- 54.75
Transfer to Stage 2		51.67		51.67
Transfer to Stage 3			82.50	82.50
Write off	-0.18	-0.06	-4.16	-4.40
Impact of revision of ECL rates	29.21	1.70	4.68	35.59
Impact of MTM Loss	- 30.83	-42.39	-	-73.22
Additional Provision	293.32	121.30	-	414.62
Closing carrying amount	1,786.45	181.92	227.48	2,195.85

## 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	2022-23	2021-22
Provision for Standard Assets		
Provision at the beginning of the year	1,968.38	1,303.16
Additional provision made during the year	-274.12	665.22
Provision at the close of the year	<b>1,694.26</b>	<b>1,968.38</b>
Non-Performing Assets	<b>As at 31st March 2023</b>	<b>As at 31st March 2022</b>
Sub-standard Assets	24.83	81.51
Doubtful Assets (Upto 1 year)	43.87	34.22
Doubtful Assets (1 – 3 years)	33.33	21.61
Doubtful Assets (More than 3 years)	74.27	78.82
Loss Assets	8.83	11.31
Total Non-performing Assets	185.13	227.47
Provision for non-performing assets	<b>2022-23</b>	<b>2021-22</b>
Provision at the beginning of the year	227.47	224.00
Additional provision made during the year	-42.34	3.47
Provision at the close of the year	185.13	227.47

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 31/03/2023

(Rupees in Lakhs)

Internal Rating	Stage 1	Stage 2	Stage 3	Grand Total
High grade	3,16,459.63	-	-	3,16,459.63
Medium grade	-	8,418.83	-	8,418.83
Low grade	-	-	1,399.81	1,399.81
Total	3,16,459.63	8,418.83	1,399.81	3,26,278.27

As on 31/03/2022

(Rupees in Lakhs)

Internal Rating	Stage 1	Stage 2	Stage 3	Grand Total
High grade	2,38,296.72	-	-	2,38,296.72
Medium grade	-	10,037.39	-	10,037.39
Low grade	-	-	1,526.35	1,526.35
Total	2,38,296.72	10,037.39	1,526.35	2,49,860.46

## Note 3: Investments

(Rupees in Lakhs)

Particulars	As at March 31, 2023 (Audited)						
	Amortised Cost	At Fair value					Total
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Sub-total	At cost	
<b>i) Mutual funds</b>					-		-
<b>ii) Government securities</b>					-		-
<b>iii) Debt securities</b>					-		-
<b>iv) Equity instruments</b>							
<i>Subsidiaries</i>					-		-
<i>Others</i>			980.53		980.53		980.53
<b>Total Gross (A)</b>	-	-	<b>980.53</b>	-	<b>980.53</b>	-	<b>980.53</b>
i) Investments outside India					-		-
ii) Investments in India	-	-	980.53		980.53	-	980.53
<b>Total Gross (B)</b>	-	-	<b>980.53</b>	-	<b>980.53</b>	-	<b>980.53</b>
Less: Allowance for impairment loss (C)	-						
<b>Total - Net D = (A) - (C)</b>	-	-	<b>980.53</b>	-	<b>980.53</b>	-	<b>980.53</b>

\*The Company applied for right issue of CIAL amounting to Rs. 125 lakhs, out of Share Application the company was allotted a right issue of Rs 71.8 lakhs on 05-05-2023. The excess application money of Rs 53.2 lakhs was received in bank on 10-05-2023

(Rupees in Lakhs)

Particulars	As at March 31, 2022 (Audited)						
	Amortised Cost	At Fair value					Total
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Sub-total	At cost	
<b>i) Mutual funds</b>					-		-
<b>ii) Government securities</b>					-		-
<b>iii) Debt securities</b>					-		-

Particulars	As at March 31, 2022 (Audited)						
	Amortised Cost	At Fair value					Total
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Sub-total	At cost	
<b>iv) Equity instruments</b>							
Subsidiaries					-		-
Others			904.58		904.58		904.58
<b>Total Gross (A)</b>	-	-	<b>904.58</b>	-	<b>904.58</b>	-	<b>904.58</b>
i) Investments outside India					-		-
ii) Investments in India	-	-	904.58		904.58		904.58
<b>Total Gross (B)</b>	-	-	<b>904.58</b>	-	<b>904.58</b>	-	<b>904.58</b>
Less: Allowance for impairment loss (C)	-						
<b>Total - Net D = (A) - (C)</b>	-	-	<b>904.58</b>	-	<b>904.58</b>	-	<b>904.58</b>

### 3.1 Details of investments are as follows :-

#### Equity instruments

(Rupees in Lakhs)

Particulars	As at March 31, 2023 (Audited)		As at March 31, 2022 (Audited)	
	Number	Amount	Number	Amount
<b>Subsidiaries</b>				
Quoted				
Unquoted				
<b>Subtotal</b>	-	-	-	-
<b>Others</b>				
Quoted				
Wonderla Holidays Ltd	503	2.15	503	1.19
The South Indian Bank Limited	45,020	6.58	45,020	3.39
Unquoted				
Cochin International Airport Ltd	5,00,000	900.00	5,00,000	900.00
Share application money pending allotment		71.80		
<b>Subtotal</b>	<b>5,45,523</b>	<b>980.53</b>	<b>5,45,523</b>	<b>904.58</b>
<b>Total</b>	<b>5,45,523</b>	<b>980.53</b>	<b>5,45,523</b>	<b>904.58</b>

#### Note 4: Other financial assets

(Rupees in Lakhs)

Particulars	As at March 31, 2023 (Audited)	As at March 31, 2022 (Audited)
Security deposits		
Rent Deposit	1723.90	1659.72
Security Deposit with NSE, BSE & CDSL	404.08	401.65
Security Deposit*	50.00	50.00
Electricity Deposit	0.81	-
Insurance deposit	20.31	1.53
Court deposit**	0.75	
Other Receivables		
Commission/Incentive Receivable	31.12	19.29
Third Party Products	130.44	23.85
Rent Receivable	24.62	11.45
<b>Total</b>	<b>2,386.03</b>	<b>2,167.49</b>

\*Robbery Case

\*\*Industrial Tribunal-I Hyderabad

**Note 5: Property, plant and equipment**

(Rupees in Lakhs)

Particulars	Land	Buildings	Plant and Equipment	Furniture and Fixtures	Computer	Vehicles	Electrical Installations	Total	Capital-work-in progress
<b>Gross block- at cost</b>									
<b>As at March 31, 2021</b>	<b>14,599.67</b>	<b>3,352.75</b>	<b>739.77</b>	<b>1,535.19</b>	<b>329.64</b>	<b>143.01</b>	<b>81.66</b>	<b>20,781.69</b>	<b>-</b>
Additions			75.40	143.50	120.30	7.26	0.88	347.34	
Disposals	(90.05)		(2.54)	(31.68)	(0.70)	(15.92)	-	(140.89)	
<b>As at March 31, 2022</b>	<b>14,509.62</b>	<b>3,352.75</b>	<b>812.63</b>	<b>1,647.01</b>	<b>449.24</b>	<b>134.35</b>	<b>82.54</b>	<b>20,988.14</b>	<b>-</b>
Additions	-	7.03	172.69	835.68	322.42	227.70	62.94	1,628.46	
Disposals	(13.26)	-	(0.36)	(15.74)	(0.74)	-	-	(30.10)	
<b>As at March 31, 2023</b>	<b>14,496.36</b>	<b>3,359.78</b>	<b>984.96</b>	<b>2,466.95</b>	<b>770.92</b>	<b>362.05</b>	<b>145.48</b>	<b>22,586.50</b>	
<b>Accumulated depreciation</b>									
<b>As at March 31, 2021</b>	<b>-</b>	<b>555.24</b>	<b>315.15</b>	<b>927.80</b>	<b>143.59</b>	<b>77.45</b>	<b>45.55</b>	<b>2,064.78</b>	<b>-</b>
Charge for the period	-	160.28	84.83	94.10	142.85	21.31	5.58	508.95	-
Disposals			-	-	-	(13.96)	-	(13.96)	
<b>As at March 31, 2022</b>	<b>-</b>	<b>715.52</b>	<b>399.98</b>	<b>1,021.90</b>	<b>286.44</b>	<b>84.80</b>	<b>51.13</b>	<b>2,559.77</b>	<b>-</b>
Charge for the period	-	149.62	96.81	157.00	170.03	55.94	7.75	637.15	-
Disposals	-	-	-	-	-	-	-	-	-
<b>As at March 31, 2023</b>	<b>-</b>	<b>865.14</b>	<b>496.79</b>	<b>1,178.90</b>	<b>456.47</b>	<b>140.74</b>	<b>58.88</b>	<b>3,196.92</b>	<b>-</b>
<b>Net Block</b>									
<b>As at March 31, 2021</b>	<b>14,599.67</b>	<b>2,797.51</b>	<b>424.62</b>	<b>607.39</b>	<b>186.05</b>	<b>65.56</b>	<b>36.11</b>	<b>18,716.91</b>	<b>-</b>
<b>As at March 31, 2022</b>	<b>14,509.62</b>	<b>2,637.23</b>	<b>412.65</b>	<b>625.11</b>	<b>162.80</b>	<b>49.55</b>	<b>31.41</b>	<b>18,428.37</b>	<b>-</b>
<b>As at March 31, 2023</b>	<b>14,496.36</b>	<b>2,494.64</b>	<b>488.17</b>	<b>1,288.05</b>	<b>314.45</b>	<b>221.31</b>	<b>86.60</b>	<b>19,389.58</b>	<b>-</b>

**Note 6: Other Intangible Assets**
*(Rupees in Lakhs)*

Particulars	Computer Software	Intangible assets under development	Total
<b>Gross block- at cost</b>			
As at March 31, 2021	31.58	46.50	78.08
Additions	6.50	-	6.50
Disposals*	-	(46.50)	-46.50
<b>As at March 31, 2022</b>	<b>38.08</b>	<b>-</b>	<b>38.08</b>
Additions	49.67	27.08	76.75
Disposals			-
As at March 31, 2023	87.75	27.08	114.83
<b>Accumulated amortisation</b>			
<b>As at March 31, 2021</b>	<b>26.49</b>	<b>-</b>	<b>26.49</b>
Additions	1.35	-	1.35
<b>As at March 31, 2022</b>	<b>27.84</b>	<b>-</b>	<b>27.84</b>
Additions	10.69		10.69
Disposals			-
<b>As at March 31, 2023</b>	<b>38.53</b>	<b>-</b>	<b>38.53</b>
<b>Net book value:</b>			
<b>As at March 31, 2021</b>	<b>5.09</b>	<b>46.50</b>	<b>51.59</b>
<b>As at March 31, 2022</b>	<b>10.24</b>	<b>-</b>	<b>10.24</b>
<b>As at March 31, 2023</b>	<b>49.22</b>	<b>27.08</b>	<b>76.30</b>

**Note 6.1 Intangible assets under development aging schedule**
*(Rupees in Lakhs)*

Intangible assets under development	Amount of CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	27.08				27.08

**Note 7: Other Non-financial assets**
*(Rupees in Lakhs)*

Particulars	As at March 31, 2023 (Audited)	As at March 31, 2022 (Audited)
Balances with government authorities		
- GST Receivable	597.02	423.86
Other Advances/Receivables**	472.27	189.53
<b>Total</b>	<b>1,069.29</b>	<b>613.39</b>

\*\*includes capital advance of ₹46.50 lakhs paid to LCode Technologies Pvt. Ltd. on 28.01.2020 for implementing the software product 'Reach NBFC Prosper System' with proper Service Level Agreement at place. However, due to the continuous failure of the software after implementation and considering the non-responsive attitude of LCode towards the issues, a show cause notice was served dated 21.02.2022, and thereafter a termination notice dated 17.05.2022 through our advocates Menon & Pai claiming the refund of Rs.46.50 lakhs with interest plus Rs.1.68 crores towards compensation. Currently the case is pending for arbitration proceedings before the Arbitral Tribunal. Kochi. A provision of 13.95 lakhs equivalent to 30% of advance is created as of 31.03.2023.

**Note 8: Debt Securities**
*(Rupees in Lakhs)*

Particulars	As at March 31, 2023 (Audited)			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
Debt securities in India				
(i) Secured, Privately Placed NCD	432.60			<b>432.60</b>
(ii) Secured, Redeemable NCD Public Issue	1,16,881.11			<b>1,16,881.11</b>



Particulars	As at March 31, 2023 (Audited)			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
(iii) Unsecured Public Placed NCD	13,661.35			13,661.35
(iv) Unclaimed Matured Debentures	181.04			181.04
(v) Interest accrued on above	13,381.52			13,381.52
(vi) Unamortized expense of public issue	-765.11			-765.11
<b>Total (A)</b>	<b>1,43,772.51</b>			<b>1,43,772.51</b>
Debt securities in India	<b>1,43,772.51</b>			<b>1,43,772.51</b>
Debt securities outside India	-			-
<b>Total (B)</b>	<b>1,43,772.51</b>	-	-	<b>1,43,772.51</b>

(Rupees in Lakhs)

Particulars	As at March 31, 2022 (Audited)			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
Debt securities in India				
(i) Secured, Privately Placed NCD	817.46			817.46
(ii) Secured, Redeemable NCD Public Issue	1,30,172.63			1,30,172.63
(iii) Unsecured, Privately Placed NCD	-			-
(iv) Unsecured Public Placed NCD	18,062.10			18,062.10
(v) Unclaimed Matured Debentures	197.14			197.14
(vi) Interest accrued on above	12,947.57			12,947.57
(vii) Unamortized expense of public issue	-1,034.43			-1,034.43
<b>Total (A)</b>	<b>1,61,162.47</b>	-	-	<b>1,61,162.47</b>
Debt securities in India	<b>1,61,162.47</b>	-	-	<b>1,61,162.47</b>
Debt securities outside India	-	-	-	-
<b>Total (B)</b>	<b>1,61,162.47</b>	-	-	<b>1,61,162.47</b>

### 8.1 Secured Redeemable Non-Convertible Debentures – Listed

The outstanding amount of Secured Redeemable Non-Convertible Listed Debentures raised through Public Issue stood at ₹1,16,881.11 lakhs (Previous Year: ₹1,30,172.63 lakhs). During the FY 2022-2023, Secured Redeemable NCD-listed amounting to ₹24,326.63 lakhs (Previous year : ₹45,095.42 lakhs) was raised.

(Rupees in Lakhs)

Date of Maturity	Sum of Amount	Interest rate
27-04-2023	2,313.23	8.50%
02-05-2023	3,594.53	9.25%-9.27%
01-07-2023	2,693.53	10.00%
14-09-2023	2,142.23	8.00%
15-09-2023	8,221.78	9.00%-9.54%
29-09-2023	2,140.40	10.00%
23-11-2023	2,122.55	10.00%
02-01-2024	4,221.49	8.75%-9.09%
17-04-2024	3,094.56	10.22%
24-04-2024	3,912.50	10.00%-10.47%
22-05-2024	5,889.90	8.50%-8.90%

Date of Maturity	Sum of Amount	Interest rate
14-08-2024	4,727.33	10.00%
31-08-2024	1,686.07	10.22%
12-09-2024	3,878.94	10.35%-10.65%
02-11-2024	2,514.73	9.75%
29-11-2024	752.92	10.22%
02-01-2025	1,750.98	9.50%
23-01-2025	865.15	10.22%
17-02-2025	2,727.43	10.50%
15-03-2025	4,404.22	9.50%
22-05-2025	2,868.90	9.25%
01-07-2025	3,684.44	10.50%
02-07-2025	1,281.41	10.22%
29-09-2025	3,122.00	10.50%
15-11-2025	3,356.83	10.22%
21-11-2025	3,624.01	10.50%
17-12-2025	164.71	10.07%
02-01-2026	6,181.80	9.75%
22-05-2026	9,070.27	9.50%
14-08-2026	2,181.65	10.71%
17-03-2027	4,193.27	10.28%
02-07-2027	2,618.73	10.13%
31-07-2027	3,156.06	10.28%
29-10-2027	1,608.53	10.28%
22-11-2027	4,355.33	10.00%
23-12-2027	1,758.70	10.28%
<b>Total</b>	<b>1,16,881.11</b>	

## 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 ₹432.60 lakhs (Previous year: ₹817.46 lakhs). During the FY 2022- 2023, No Secured Privately Placed NCD was raised

(Rupees in Lakhs)

Date of maturity	Amount	Interest rates
12-06-2024	432.60	10.00% - 10.47%
<b>Total</b>	<b>432.60</b>	

## 8.3 Unsecured Debentures – UnListed

The outstanding amount of Unsecured Debentures raised through Private placement stood at ₹Nil (Previous Year: ₹Nil). There is no fresh issue of debentures during the FY- 2022-2023.

## 8.4 Unsecured Debentures - Listed

The outstanding amount of Unsecured Debentures raised through Public Issue stood at ₹13,661.35 lakhs (Previous Year: ₹18,062.10 lakhs). During the FY-22-23 no Unsecured Public Placed NCD (Previous year :₹8,754.02 lakhs) was raised

(Rupees in Lakhs)

Date of maturity	Amount	Interest Rate
13-03-2026	2770.94	10.25%
02-06-2026	2405.20	10.25%
15-03-2027	2592.39	10.00%

Date of maturity	Amount	Interest Rate
14-02-2028	2136.39	10.41%
02-05-2028	1348.82	10.41%
15-09-2028	2407.61	10.41%
15-09-2028	2,407.61	10.41%
<b>Total</b>	<b>13661.35</b>	

## 8.5 Unclaimed Matured Debentures

The outstanding amount of Unclaimed Matured Debentures as on 31st March 2023 is ₹181.04 lakhs. (Previous year ₹197.14 lakhs). The same has been transferred to current accounts maintained with HDFC Bank.

(Rupees in Lakhs)

Period	Amount
2015-2016	13.76
2016-2017	45.02
2017-2018	4.97
2018-2019	26.38
2019-2020	7.21
2020-2021	36.73
2021-2022	14.35
2022-2023	32.61
<b>Total</b>	<b>181.04</b>

The debentures which has been matured and remained unclaimed and unpaid for a period of seven years has been transferred to Investor Education and Protection Fund.

## Note 9: Borrowings (other than debt securities)

(Rupees in Lakhs)

Particulars	As at March 31, 2023 (Audited)			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
<b>(a) Term loan</b>				
<i>(i) from banks</i>				
Vehicle Loans -State Bank of India	38.19			38.19
Vehicle Loans -Bank Of Maharashtra	91.88			91.88
Vehicle Loans -HDFC Bank Ltd	69.88			69.88
Term Loan -Catholic Syrian Bank	1,902.55			1,902.55
Term Loan -Canara Bank	15,839.22			15,839.22
Term Loan -Bank of Baroda	9,250.00			9,250.00
Term Loan -Karur Vysya Bank	4,561.40			4,561.40
Term Loan -Indian Bank	3,669.14			3,669.14
Term Loan -Punjab & Sind Bank	1,818.18			1,818.18
Term loan-Utkarsh Small Finance Bank	928.89			928.89
Term Loan - Bank Of Maharashtra	10,078.99			10,078.99
Term Loan - UCO Bank	4,561.40			4,561.40
Term Loan - IDFC First Bank	3,891.71			3,891.71
Term Loan - Karnataka Bank Ltd	4,511.18			4,511.18
Term Loan- Bandhan bank	7,500.00			7,500.00
<i>(ii) from financial institutions</i>				-
Term Loan- Tata Capital	2,000.00			2,000.00
Term Loan- Hinduja Leyland	1,443.56			1,443.56
Unamortized expense of Term Loan	-701.75			-701.75

Particulars	As at March 31, 2023 (Audited)			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
<b>(b) Loans from related party</b>	-	-	-	-
<b>(c) Loans repayable on demand</b>				
<i>(i) from banks</i>				
South Indian Bank Ltd	9,892.35			9,892.35
State Bank of India	3,987.42			3,987.42
Dhanlaxmi Bank	4,878.06			4,878.06
Indus Ind Bank	9,686.77			9,686.77
Union Bank of India	9,965.29			9,965.29
Punjab National Bank	4,972.77			4,972.77
Karur Vysya Bank	2,435.28			2,435.28
DCB Bank	2,471.92			2,471.92
UCO Bank	1,891.35			1,891.35
IDBI Bank	3,954.05			3,954.05
Indian Bank	1,008.62			1,008.62
HDFC Bank Ltd	15,104.01			15,104.01
Catholic Syrian Bank	4,994.30			4,994.30
IDFC First Bank Ltd	504.06			504.06
Yes bank	4,998.68			4,998.68
Bandhan Bank	466.00			466.00
<i>(ii) from financial institutions</i>				-
<b>Total (A)</b>	<b>1,52,665.35</b>	<b>-</b>	<b>-</b>	<b>1,52,665.35</b>
<b>Borrowings in India</b>	<b>1,52,665.35</b>	<b>-</b>	<b>-</b>	<b>1,52,665.35</b>
<b>Borrowings outside India</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total (B)</b>	<b>1,52,665.35</b>	<b>-</b>	<b>-</b>	<b>1,52,665.35</b>

(Rupees in Lakhs)

Particulars	As at March 31, 2022 (Audited)			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
<b>(a) Term loan</b>				
<i>(i) from banks</i>				
Vehicle Loans -State Bank of India,	49.69			49.69
Term Loan -CSB Bank	2,600.67			2,600.67
Term Loan -Canara Bank	11,664.00			11,664.00
Term Loan -Bank of Baroda	3,191.70			3,191.70
Term Loan -Karur Vysya Bank	2,500.00			2,500.00
Term Loan -Indian Bank	5,001.30			5,001.30
Term Loan -Punjab & Sind Bank	2,500.00			2,500.00
Unamortized expense of Term Loan	-377.95			-377.95
<i>(ii) from financial institutions</i>				
<b>(b) Loans from related party</b>				
<b>(c) Loans repayable on demand</b>				
<i>(i) from banks</i>				
South Indian Bank	4,888.45			4,888.45
State Bank of India	3,635.68			3,635.68

Particulars	As at March 31, 2022 (Audited)			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
Dhanlaxmi Bank	4,659.15			4,659.15
Indus Ind Bank	7,369.59			7,369.59
Union Bank of India	9,686.77			9,686.77
Punjab National Bank	4,835.78			4,835.78
Karur Vysya Bank	2,467.72			2,467.72
DCB Bank	1,500.00			1,500.00
UCO Bank	1,407.78			1,407.78
IDBI Bank	3,626.65			3,626.65
Indian Bank	1,000.25			1,000.25
HDFC Bank Ltd	5,114.38			5,114.38
(ii) from financial institutions				
<b>Total (A)</b>	<b>77,321.61</b>	<b>-</b>	<b>-</b>	<b>77,321.61</b>
<b>Borrowings in India</b>	<b>77,321.61</b>	<b>-</b>	<b>-</b>	<b>77,321.61</b>
<b>Borrowings outside India</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total (B)</b>	<b>77,321.61</b>	<b>-</b>	<b>-</b>	<b>77,321.61</b>

## 9.1 Security Details

### Term Loans

**a. State Bank of India- Sanctioned Amount ₹80 lakhs - Outstanding. ₹ 38.19Lakhs (Previous year ₹49.69 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. Bank Of Maharashtra -Sanctioned Amount ₹100 lakhs -Outstanding ₹91.88 lakhs (Previous year NIL)**

Secured by way of Hypothecation of the vehicle to be purchased

Repayment terms: 84 monthly installments of ₹1.52 lakhs

**c. HDFC Bank Ltd - Sanctioned Amount ₹71 lakhs - Outstanding ₹69.88 lakhs (Previous year NIL)**

Secured by way of Hypothecation of the vehicle to be purchased

Repayment terms: 84 monthly installments of ₹1.12 lakhs

**d. CSB Bank- Sanctioned Amount - ₹3,000 lakhs - Outstanding ₹1,902.55 Lakhs (Previous year ₹2,600.67Lakhs)**

Secured by a)Pari-passu first charge on gold loan receivables of the company (present & future) along with other secured lenders with 25% margin., b)Collateral-Cash collaterals, sufficient to cover 25% of the total exposure, c.)Personal guarantee of Nizzy Mathew and Mathew Muthoottu 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

**e. Canara Bank-Sanctioned Amount - ₹10,000 lakhs - Outstanding ₹3,328 Lakhs (Previous year ₹6,664 lakhs)**

Secured by a)First charge over all standard movable assets and currents assets, including book debts and receivable, cash and bank balances, loans and advances, both present and future of the company on pari passu basis with all lenders under MBA and debenture holders with minimum ACR to be maintained at 1.20 times of outstanding liability (excluding microfinance receivables) for the loans disbursed by them to individuals against pledge of gold ornaments. b) Collateral - Fixed Deposit of ₹2500 lakhs c) Personal guarantee of Nizzy Mathew and Mathew Muthoottu

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

**e. Canara Bank - Sanctioned Amount - ₹5,000 lakhs - Outstanding ₹3,332 Lakhs (Previous year ₹5,000 Lakhs)**

Secured by a)Paripassu 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. The minimum



ACR to be maintained at 1.25 times of the outstanding liability b) Collateral - Fixed Deposit of ₹1250 lakhs c) Personal guarantee of Nizzy Mathew and Mathew Muthoottu

Repayment terms(5000 Lakhs): 35 monthly installments of ₹139 lakhs and last installment of ₹135 Lakhs

**e. Canara Bank - Sanctioned Amount - ₹4,000 lakhs - Outstanding ₹3,222.22 Lakhs (Previous year nil)**

Secured by a)Paripassu 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. The minimum ACR to be maintained at 1.25 times of the outstanding liability b) Collateral - Cash Collateral of 25% of Loan amount c) Personal guarantee of Nizzy Mathew and Mathew Muthoottu

Repayment terms: 35 monthly installments of ₹111 lakhs and last installment of ₹150 Lakhs

**e. Canara Bank - Sanctioned Amount - ₹6,500 lakhs - Outstanding ₹5,957 Lakhs (Previous year nil)**

Secured by a)Paripassu 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. The minimum ACR to be maintained at 1.25 times of the outstanding liability b) Collateral - Cash margin in the form of fixed deposits to the extend of 25% of the exposure c) Personal guarantee of Nizzy Mathew and Mathew Muthoottu

Repayment terms: 35 monthly installments of ₹181 lakhs and last installment of ₹165 Lakhs

**f. Bank of Baroda - Sanctioned Amount - ₹3,500 lakhs - Outstanding ₹2,000 Lakhs (Previous year ₹3,191.70 Lakhs)**

Secured by a) First pari-passu charge by way of hypothecation of all chargeable current assets, book debts, loans and advances and receivables including gold loan receivables (excluding micro finance receivable which is exclusively charged to Tata Capital) both present and future, along with other lenders including NCD holders with security margin of 25% on chargeable current assets, Any underlying /receivables classified as NPA should be replaced / excluded. Minimum security coverage of 1.33 times to be maintained. b) Collateral-Cash collateral of minimum 25% of the sanctioned limit in the form of term deposit to be kept for the tenure of the loan. c)Personal Guarantor-Mr. Mathew Muthoottu and Mrs.Nizzy Mathew

Repayment terms: 35 monthly installments of ₹100 lakhs

**f. Bank of Baroda - Sanctioned Amount - ₹7,500 lakhs - Outstanding ₹7,250 Lakhs (Previous year nil)**

Secured by a) First pari-passu charge by way of hypothecation of all chargeable current assets, book debts, loans and advances and receivables including gold loan receivables (excluding micro finance receivable which is exclusively charged to Tata Capital) both present and future, along with other lenders including NCD holders with security margin of 25% on chargeable current assets, Any underlying /receivables classified as NPA should be replaced / excluded. b) Collateral-Cash collateral of minimum 25% of the sanctioned limit in the form of term deposit to be kept for the tenure of the loan. Personal Guarantor-Mr. Mathew Muthoottu and Mrs.Nizzy Mathew

Repayment terms: 30 monthly installments of ₹250 lakhs

**g. Karur Vysya Bank- Sanctioned Amount- ₹2,500 lakhs -Outstanding ₹2,061.40 Lakhs (Previous year ₹2,500 Lakhs)**

Secured by a)Pari passu first charge over the gold loan receivables( both present and future); and other current assets of the company, with other secured lenders (Banks, Fis, and NCD holders) except those which are specifically charged to any term lenders (whether under refinance facility or otherwise) , b)Collateral-Extent of 24.37 ares (10.12 ares in Sy 332/8, 10.20 ares 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 Tatuk, Pathanamthitta District standing in the name of M/s Muthoottu Mini Hotels Private Limited. ,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. Fixed deposits of ₹4.68 crore. Minimum security cover of 1.33 times of loan amount/ outstanding liabilities with KVB.C) Personal Guarantor-Mr. Mathew Muthoottu and Mrs.Nizzy Mathew

Repayment terms: 57 monthly installments of ₹44 Lakhs

**g. Karur Vysya Bank- Sanctioned Amount - ₹2,500 lakhs - Outstanding ₹2,500 Lakhs (Previous year nil)**

Secured by a)Pari passu first charge over the gold loan receivables( both present and future); and other current assets of the company, with other secured lenders (Banks, Fis, and NCD holders) except those which are specifically charged to any term lenders (whether under refinance facility or otherwise) , b)Collateral-Extent of 24.37 ares (10.12 ares in Sy 332/8, 10.20 ares 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 Tatuk, Pathanamthitta District standing in the name of

M/s Muthoottu Mini Hotels Private Limited. ,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. Fixed deposits of RS 4.68 crore. Minimum security cover of 1.33 times of loan amount/ outstanding liabilities with KVB.Personal Guarantor-Mr. Mathew Muthoottu and Mrs.Nizzy Mathew

Repayment terms: 11 Quarterly installments of ₹227.27 Lakhs

**h. Indian Bank - Sanctioned Amount - ₹5,000 lakhs - Outstanding ₹3,669.14 Lakhs (Previous year ₹5,001.3 lakhs)**

Secured by a)First Pari-passu charge by way of hypothecation of current assets, loans & advance and book debts including Gold Loan receivables and excluding Micro Finance receivables with 20% margin to other lenders and NCD holders, b) Collateral- Cash Collateral of 25% c)Personal guarantor - Mrs.Nizzy Mathew and Mr. Mathew Muthoottu

Repayment terms:11 quarterly instalments of ₹455 Lakhs

**i. Punjab and Sind Bank - ₹2,500 lakhs - Outstanding ₹1,818.18 Lakhs (Previous year ₹2,500 Lakhs)**

Secured by a)First hypothecation charge on pari-passu basis on current assets of the company including book debts, loans and advances and receivables including gold loan receivables both present and future along with other Banks. (1.25 times), b) Colleteral-25% cash collateral. c)-Personal Guarantor -Mrs.Nizzy Mathew and Mr. Mathew Muthoottu

Repayment terms: 33 monthly installments of ₹76 Lakhs

**j. Utkarsh Small Finance Bank- Sanctioned Amount - ₹1,500 lakhs - Outstanding ₹928.89 Lakhs (Previous year nil)**

Secured by a)First Pari-passu charge on Book Debts/Loan assets including gold loan receivables of the Company (both present and future) to the extent of 110% of the exposure created out of Utkarsh Small Finance Bank Ltd funding b) Collateral-25% of the Loan Amount sanctioned in the form of FDR c)Personal guarantor-Mrs.Nizzy Mathew and Mr. Mathew Muthoottu

Repayment terms: 24 monthly installments of ₹62.50 Lakhs

**k. Bank Of Maharashtra - Sanctioned Amount ₹10,000 lakhs -Outstanding ₹10,078.99 lakhs (Previous year nil)**

Secured by a)First Pari-Passu charge by way of Hypothecation of standard loan receivables of the company to the extent of 1.11 times of outstanding loan.b) Collateral- 25% Cash collateral on the sanctioned amount, c)Personal guarantor-Mrs.Nizzy Mathew and Mr. Mathew Muthoottu

Repayment terms: 5 Half yearly instalment of Rs. ₹2000 lakhs each

**l. UCO - Sanctioned Amount ₹5,000 lakhs -Outstanding ₹4,561.40 lakhs (Previous year nil)**

Secured by a)First hypothecation charge on receivables including advances against Security Of gold both present and future, on pari-passu basis along with other WC lenders (funding WC requirement of the company by way of Term Loan, STL, Cash credit, OD etc) and debenture holders and hypothecation charge over other chargeable current assets of the company (both present and future) on pari- passu basis with other WC lenders and debenture holders.The company has to maintain security cover of 1.33 times, b) Colleteral-FDR to the tune of 25% of the limit , c)-Personal Guarantor - Mrs. Nizzy Mathew and Mr. Mathew Muthoottu

Repayment terms: 57 equal monthly installments

**m. IDFC - Sanctioned Amount ₹5,500 lakhs -Outstanding ₹3,891.71 lakhs (Previous year nil)**

Secured by a) First Pari passu charge of standard book debts and receivables with security cover of 1.2x. All book debts charged should be Standard not be more than 90 DPDF.b) Collateral-Cash margin of 25% in the form of FDs to be maintained on outstanding loan amount, c)Personal guarantor-Mrs.Nizzy Mathew and Mr. Mathew Muthoottu

Repayment terms: 24 equal monthly installments of ₹229.17 lakhs

**n. Karnataka Bank - Sanctioned Amount ₹5,000 lakhs - Outstanding ₹4,511.18 lakhs (Previous year nil)**

Secured by a) Pari Passu First Charge on the current assets, loans and advances and standard receivables of the Company excluding micro finance receivables with minimum asset cover of 1.10 times of the outstanding loan amount at any point of time. b) Personal guarantor-Mrs.Nizzy Mathew and Mr. Mathew Muthoottu

Repayment terms: 30 monthly installments of ₹162 lakhs and last installment of ₹140 Lakhs

**o. Bandhan Bank - Sanctioned Amount ₹7,500 lakhs - Outstanding ₹7,500 lakhs (Previous year nil)**

Secured by a) Paripassu first charge over the Gold Loan receivables (both present and future) excluding microfinance

receivables and other current assets of the company, with other secured lenders (Banks & NCD Holders) with security asset coverage ratio of 1.15times to be maintained at all times both present & future of the company. b) Collateral-Cash collateral of minimum 10% of the sanctioned Term Loan limit c) Personal guarantor-Mrs.Nizzy Mathew and Mr. Mathew Muthootu

Repayment terms: 24 equal monthly installments of ₹312.50 lakhs

**p. Tata Capital- Sanctioned Amount ₹2,000 lakhs - Outstanding ₹2,000 lakhs (Previous year nil)**

Secured by a) exclusive charge by way of hypothecation over loan assets/book debts of the company micro finance Book (both present & future) at minimum of 1.25x of the loan outstanding. Portfolio hypothecated should have NIL Overdues. b) Personal guarantee of Mrs. Nizzy Mathew and Mr. Mathew Muthootu

Repayment terms: 24 equal monthly installments

**q. Hinduja Leyland Finance- Sanctioned Amount ₹1,500 lakhs -Outstanding ₹1,443.56 lakhs (Previous year nil)**

Secured by a) Exclusive charge by way of hypothecation over loan assets/book debts of the company micro finance Book( both present & future) at minimum of 1.10 of the loan outstanding.b) Personal guarantors - Mrs.Nizzy Mathew and Mr. Mathew Muthootu

**Loans repayable on demand**

**a. South Indian Bank – Sanctioned Amount - ₹10,000 lakhs Outstanding ₹9,892.35 Lakhs (Previous year ₹4,888.45 Lakhs)**

Secured by a)First paripasu charge along with other secured lenders, by way of hypothecation of current portion of loan receivables of standard assets ( other than those secured to term loan lenders) and which are not overdue as per RBI/ Regulatory guidelines, with asset coverage ratio of 1.33x times to be maintained, b)Collateral- Cash Collateral to the extent of 25% c)Personal guarantor-Mr. Mathew Muthootu and Mrs.Nizzy Mathew

**b. State Bank of India–Sanctioned Amount - ₹4,000 lakhs - Outstanding ₹3,987.42 Lakhs (Previous year ₹3,635.68 Lakhs)**

Secured by a)Hypothecation & Paripassu first charge over Gold Loan receivables and other current assets, both present and future except those which are specifically charged to any lenders with asset coverage ratio of 1.33x times to be maintained. b)Collateral-EM of 32.86 ares of commercial plot bearing no 219/2 situated at Kundannur,Ernakulam, c)Personal Gurantor-Mrs. Nizzy Mathew, Mr. Mathew Muthootu, Mr. Roy M Mathew, d) Corporate Guarantor-M/s Muthootu Mini Theaters Pvt Limited

**c. Dhanlaxmi Bank–Sanctioned Amount ₹4,900 lakhs - ₹Outstanding ₹4,878.06 Lakhs (Previous year ₹4,659.15 Lakhs)**

Secured by a)Paripasu first charge by way of Hypotecation of Current Assets, loans and advances and book debts including gold loan receivables of the company with 25% margin with other lenders and NCD Lenders , b) Collateral-Vacant Land -EM of 34.39 Ares of vacant land U.S.No.262(262/7/18-2, 262/4/7-1-39, 262/4-3,262/4/10-1,262/4/7-1,262/4/6-3) of Pathanamthitta village, Kozhenchery Taluk, Pathanamthitta District, Owned By M/s.Muthootu Mini Theatres (P) Limited,2.40 ares land with 4500 sq ft, 3 storied commercial building in Konni village, Konni Taluk, Pathanainthitta District Owned By M/s.Muthoot Mini Hotels Pvt Ltd, Fixed Deposit Rs 5.64 Crores, c) Personal guarantee of Nizzy Mathew, Mathew Muthootu and Roy M. Mathew D) Corporate guarantee of Muthootu Mini Theatres Private Limited and Muthootu Mini Hotels Pvt Ltd

**d. IndusInd Bank-Sanctioned amount - ₹10,000 lakhs-Outstanding ₹9,686.77Lakhs (Previous year ₹7,369.59 Lakhs)**

Secured by a)Pari passu charge on the Book Debts and Receivables and other current assets together with secured debenture holders and working capital bankers, with IBL's Security cover of 1.33x. NCD holders have security cover of 1x, b)Collateral-. Commercial Land & Building, 5.85 Ares along with three storied building comprised in Re-Survey No.83 in Block No. 179 of Kollam East Village Kollam Taluk,Commercial Land & Building, 9.25 Cents of property equalling 3.74 Ares comprised in Sy No: 2786/C-1, 2786/C-2-1 of Vanchiyoar Village, Thiruvananthapuram Taluk along with building bearing T.C nos 26/44 & 45, Commercial Land & Building ( Land), extent of 19 Cents(7.69 Ares) and all other things attached thereto comprised in Old Sy mo. 290/3 ( Re Sy No.170/2-1) of pandalam Village, Adoor Taluk, c) Personal guarantee of Nizzy Mathew and Mathew Muthootu

**e. Union Bank of India-Sanctioned amount - ₹10,000 lakhs Outstanding ₹9,965.29 Lakhs (Previous year ₹9,686.77 Lakhs)**

Secured by a) Paripassu first charge on the standard receivables (maturing within one Year) and current assets of the company present and future along with other lenders, b) Collateral-16.17 Ares ( 40 Cents) of Land Sy no: 33/3/1,

33/3/1-1, 33/3/1-2, 33/3/1/3 and 33/3/1/4 situated at pathnamthitta village, kozhenchery taluk, pathanamthitta District, Kerala belonging to Muthoottu Mini Hotels Pvt Ltd, Fixed Deposit of ₹10.45 Crores, 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, Personal C) Personal guarantee of Nizzy Mathew and Mathew Muthoottu d) Corporate Guarantee of M/s Muthoottu Mini Hotels Pvt Ltd.

**f. Karur Vysya - Sanctioned amount - ₹2,500 Lakhs Outstanding ₹2,435.28 Lakhs (Previous year ₹2467.72 Lakhs)**

Secured by a)Pari passu first charge over the gold loan receivables( both present and future); and other current assets of the company, with other secured lenders (Banks, Fis, and NCD holders) except those which are specifically charged to any term lenders (whether under refinance facility or otherwise). Minimum Security cover of 1.33 times of the loan amount / outstanding liabilities with KVB, b)Collateral-Extent of 24.37 ares (10.12 ares in Sy 332/8, 10.20 ares 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 Tatuk, Pathanamthitta District standing in the name of M/s Muthoottu Mini Hotels Private Limited. ,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. Fixed deposits of ₹4.68 crore. c) Personal guarantee of Nizzy Mathew and Mathew Muthoottu d) Corporate Guarantee of M/s Muthoottu Mini Hotels Pvt Ltd.

**g. DCB Bank- Sanctioned amount - ₹2,500 lakhs Outstanding ₹2,471.92 Lakhs (Previous year ₹1,500 Lakhs)**

Secured by a)1st pari passu charge on receivables/book debts (Pertaining to gold loan book) other than those specifically charged to other lenders covering 125% of our exposure at all times., b) Collateral-Cash collateral of 10% of existing & enhanced limits.

**h. UCO Bank - Sanctioned amount - ₹2,000 lakhs Outstanding ₹1,891.35 Lakhs (Previous year ₹1,407.78 Lakhs)**

Secured by a)First hypothecation charge on receivables including advances against Security Of gold both present and future, on pari-passu basis along with other WC lenders (funding WC requirement of the company by way of Term Loan, STL, Cash credit, OD etc) and debenture holders and hypothecation charge over other chargeable current assets of the company (both present and future) on pari- passu basis with other WC lenders (funding WC requirement of the company by way of Term Loan, STL, Cash credit. OD etc) and debenture holders.The company has to maintain security cover of 1.33 times during the entire tenor of loan, b) Colleteral-FDR to the tune of 25% of the limit c)-Personal Guarantor -Mrs. Nizzy Mathew and Mr. Mathew Muthoottu

**i. IDBI Bank - Sanctioned amount - ₹4,000 Lakhs Outstanding ₹3,954.05 Lakhs (Previous year ₹3,626.65 Lakhs)**

Secured by a)Pari passu first charge on entire receivables/gold loans and other current assets of the company, both present and future. With other secured lenders and NCD holders with security margin of 25%, b)Collateral-25% of the sanctioned limit as cash margin in the form of FD with IDBI Bank, c)Persoanal Guarantor-Mr. Mathew Muthoottu and Mrs.Nizzy Mathew

**j. Indian Bank - Sanctioned amount - ₹1,000 Lakhs Outstanding ₹1,008.62 Lakhs (Previous year ₹1,000.25 Lakhs)**

Secured by a)First Pari-passu charge by way of hypothecation of current assets, loans & advance and book debts including Gold Loan receivables and excluding Micro Finance receivables with 20% margin to other lenders and NCD holders. , b) Collateral- Cash Collateral of 25% C) Personal Gurantor-Mrs.Nizzy Mathew and Mr. Mathew Muthoottu

**k. HDFC Bank LTD - Sanctioned amount - ₹15,100 Lakhs Outstanding ₹15,104.01 Lakhs (Previous year ₹5,114.38 Lakhs)**

Secured by a)First pari passu charge on all current assets of the Company, both current and future including receivables (Gold loan receivables excluding Micro Finance receivables) for working capital limits with security margin of 20%, 100% Fixed Deposits for ODFD limits. b)25 % Cash margin in the form of FD, Personal Guarantor - Mr. Mathew Muthoottu and Mrs.Nizzy Mathew , d) Corporate Guarantor-M/s. Muthoottu Mini Theatres Private Limited and M/s. Muthoottu Mini Hotels Private Limited

**l. CSB Bank- Sanctioned Amount - ₹5,000 lakhs - Outstanding ₹4,994.30 Lakhs (Previous year nil)**

Secured by a)Pari-passu first charge on gold loan receivables of the company (present & future) along with other secured lenders with 25% margin. , b)Collateral - Cash collaterals, sufficient to cover 25% of the total exposure, at any point of time (WCDL+ Rundown balance of TL) , c.) Personal guarantee of Nizzy Mathew and Mathew Muthoottu d) Corporate guarantee of M/s Muthoottu Mini Hotels Private Limited

**m. IDFC - Sanctioned Amount ₹500 lakhs - Outstanding ₹504.06 lakhs (Previous year nil)**



Secured by a) First Pari passu charge of standard book debts and receivables with security cover of 1.2x. All book debts charged should be Standard not be more than 90 DPD. b) Personal guarantor-Mrs.Nizzy Mathew and Mr. Mathew Muthootu

**n. Bandhan Bank - Sanctioned Amount ₹500 lakhs -Outstanding ₹466.00 lakhs (Previous year nil)**

Secured by a) Paripassu first charge over the Gold Loan receivables (both present and future) excluding microfinance receivables and other current assets of the company, with other secured lenders (Banks & NCD Holders) with security asset coverage ratio of 1.15xtimes to be maintained at all times both present& future of the company. b) Collateral-Cash collateral of minimum 10% of the sanctioned Term Loan limit in the form of term deposit to be kept for the tenure of the loan, c)Personal guarantor-Mrs.Nizzy Mathew and Mr. Mathew Muthootu

**o. Yes Bank - Sanctioned Amount ₹5,000 lakhs - Outstanding ₹4,998.68 lakhs (Previous year nil)**

Secured by a) Paripassu first charge charge on standard book debts and receivables with 1.10x cover in line with existing pari passu charge holders (excluding Micro Finance Loans Receivables). b) Collateral-Cash Collateral of 10% cover of the disbursed amount to be maintained, c)Personal guarantor-Mrs.Nizzy Mathew and Mr. Mathew Muthootu

**p. Punjab National Bank Coimbatore (erstwhile Oriental Bank of Commerce,Coimbatore) - Sanctioned amount - 5,000 lakhs Outstanding ₹4,972.77Lakhs (Previous year ₹4,835.78 Lakhs)**

Secured by a) 1st Pari passu charge on gold loan receivables and other current assets (excluding cash collateral specifically to each bank) of the company with minimum asset coverage of 1.33 times of the loan amount, b) Collateral-EM of 18.70 ares and 46.20 cents multiplex theatre Dhanya & Remya at S no. 34, MC Road, Kottayam standing in the name of Mr. Mathew Muthoot,Fixed Deposit of Rs 2.58 Crores, c) Personal Guarantor-Mrs. Nizzy Mathew and Mr. Mathew Muthootu

**Note 10: Subordinated Liabilities**

(Rupees in Lakhs)

Particulars	As at March 31, 2023 (Audited)			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
Subordinated Liabilities in India	23,988.88			23,988.88
Unclaimed Subordinated Liabilities in India	311.41			311.41
Subordinated Liabilities outside India	-			-
<b>Total</b>	<b>24,300.29</b>	<b>-</b>	<b>-</b>	<b>24,300.29</b>

(Rupees in Lakhs)

Particulars	As at March 31, 2022 (Audited)			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
Subordinated Liabilities in India	25,015.34			25,015.34
Unclaimed Subordinated Liabilities in India	1,571.87			1,571.87
Subordinated Liabilities outside India	-			-
<b>Total</b>	<b>26,587.21</b>	<b>-</b>	<b>-</b>	<b>26,587.21</b>

**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 ₹23,134.62 lakhs (Previous year: ₹19,938.91 lakhs).

(Rupees in Lakhs)

Interest pay out- Maturity	Amount*	Interest Rate
Period	As at 31 <sup>st</sup> March, 2023	
2021-2022	48.67	16.67%
2022-2023	45.26	15.38%-16.67%
2023-2024	46.65	15.38%
2025-2026	18.00	10.50%
2026-2027	133.50	12.26%



2027-2028	1,198.02	14.29%
2028-2029	1,283.27	10.00%-14.46%
2029-2030	3,780.79	14.46%
<b>Total</b>	<b>6,554.16</b>	

Interest pay out-Monthly	Amount	Interest Rate
2021-2022	26.60	10.75%-11.00%
2022-2023	100.83	10.50%-11.00%
2023-2024	183.89	10.50%-10.75%
2025-2026	1,574.61	10.50%
2026-2027	429.10	9.50%-10.25%
2027-2028	10,427.43	10.00%-10.50%
2028-2029	3,828.00	10.50%
2029-2030	10.00	14.46%
<b>Total</b>	<b>16,580.46</b>	

\* Excluding interest accrued

#### Note 11: Other Financial liabilities

(Rupees in Lakhs)

Particulars	As at March 31, 2023 (Audited)	As at March 31, 2022 (Audited)
Expenses payable	891.93	429.50
Rent Payable	43.76	149.09
Rent Deposit	47.35	15.40
Kotak Insurance Payable	60.87	26.44
Auction Surplus Payable	592.99	727.56
Other Payable	102.74	124.50
<b>Total</b>	<b>1,739.64</b>	<b>1,472.49</b>

#### Note 12: Provisions

(Rupees in Lakhs)

Particulars	As at March 31, 2023 (Audited)	As at March 31, 2022 (Audited)
Provision for employee benefits		
- Gratuity	495.39	463.72
- Others	13.95	6.98
<b>Total</b>	<b>509.34</b>	<b>470.70</b>

#### Note 13: Other Non-financial liabilities

(Rupees in Lakhs)

Particulars	As at March 31, 2023 (Audited)	As at March 31, 2022 (Audited)
Statutory dues payable	246.00	242.45
Others	60.24	53.17
<b>Total</b>	<b>306.24</b>	<b>295.62</b>

#### 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, 2023 (Audited)	As at March 31, 2022 (Audited)
<b>Authorised</b>		
325,00,000 Equity Shares of Rs.100/- each	32,500.00	32,500.00
<b>Issued, subscribed and fully paid up</b>		
249,52,539 Equity shares of Rs.100/- each fully paid up	24,952.54	24,952.54
<b>Total Equity</b>	<b>24,952.54</b>	<b>24,952.54</b>

## 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.

## 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
<b>As at March 31, 2022</b>	<b>2,49,52,539</b>	<b>24,952.54</b>
Shares issued during the period	-	-
<b>As at March 31, 2023</b>	<b>2,49,52,539</b>	<b>24,952.54</b>

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

Particulars	As at March 31, 2023 (Audited)	
	No. of shares held	% holding in the class
Mr. Mathew Muthoottu	1,47,79,912	59.23%
Mrs Nizzy 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, 2022 (Audited)	
	No. of shares held	% holding in the class
Mr. Mathew Muthoottu	1,47,79,912	59.23%
Mrs Nizzy 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
<b>Equity Shares :</b>			
2019-2020	-	-	-
2018-2019	-	-	-
2017-2018	-	-	-
2016-2017	-	-	-
2015-2016	-	-	-

## Shareholding of Promoters

Promoter name	Shares held by promoters at the end of the year		% change during the year
	No. of shares	% of total shares	
Mr. Mathew Muthoottu	1,47,79,912.00	59.23%	-
Mrs Nizzy Mathew	33,54,446.00	13.44%	-

**Note 15: Other equity**

(Rupees in Lakhs)

Particulars	As at March 31, 2023 (Audited)	As at March 31, 2022 (Audited)
<b>Statutory Reserves</b>		
<b>Special Reserve Fund(u/s 45 IC of RBI Act, 1934)</b>		
Balance at the beginning of the year	6,300.56	5,374.68
Add: Transfer from Retained earnings	1,349.79	925.88
<b>Balance at the end of the year</b>	<b>7,650.35</b>	<b>6,300.56</b>
<b>Debenture Redemption Reserve</b>		
Balance at the beginning of the year	-	-
Add: Transfer from/(to) Retained earnings	-	-
<b>Balance at the end of the year</b>	<b>-</b>	<b>-</b>
<b>Impairment reserve</b>		
Balance at the beginning of the year	-	-
Add: Transfer from/(to) Retained earnings	167.95	-
<b>Balance at the end of the year</b>	<b>167.95</b>	<b>-</b>
<b>Securities Premium</b>		
Balance at the beginning of the year	7,844.15	7,844.15
Add: Securities premium on share options exercised during the year	-	-
<b>Balance at the end of the year</b>	<b>7,844.15</b>	<b>7,844.15</b>
<b>Revaluation Reserve</b>		
Balance at the beginning of the year	350.00	350.00
Add: Amount transferred	-	-
<b>Balance at the end of the year</b>	<b>350.00</b>	<b>350.00</b>
<b>Retained Earnings</b>		
<b>Balance at the beginning of the year</b>	<b>16,322.91</b>	<b>12,811.98</b>
<b>Add: Profit for the period</b>	<b>6,748.95</b>	<b>4,436.81</b>
<b>Add/Less: Appropriation :-</b>		
Transfer to Special Reserve Fund	(1,349.79)	(925.88)
Transfer from/(to) Debenture Redemption Reserve	-	-
Transfer to Impairment Reserve	(167.95)	-
<b>Total appropriations</b>	<b>(1,517.74)</b>	<b>(925.88)</b>
<b>Balance at the end of the year</b>	<b>21,554.12</b>	<b>16,322.91</b>
<b>Total</b>	<b>37,566.57</b>	<b>30,817.62</b>

**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 ₹ 1349.79 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.

## 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.

## Impairment Reserve

In accordance with RBI circular no. RBI/2019-20/170 dated March 13, 2020, the company has provided for impairment allowances as required by Ind AS. In parallel the company has also determined the asset classification and computed the impairment provisions as per extant prudential norms on Income Recognition, Asset Classification and Provisioning

Further, since impairment allowance under Ind AS 109 is lower than the provisioning required under IRACP the difference has been appropriated from net profit after tax to 'Impairment Reserve'. The balance in the 'Impairment Reserve' shall not be reckoned for regulatory capital.

No withdrawals are permitted from this reserve without prior permission from the Department of Supervision, RBI. The requirement for 'Impairment Reserve' shall be reviewed, going forward as per further instructions from RBI

## Note 16: Interest income

(Rupees in Lakhs)

Particulars	Year ended March 31, 2023 (Audited)	Year ended March 31, 2022 (Audited)
	On Financial asset measured at amortised cost	On Financial asset measured at amortised cost
<b>i) Interest on Loans</b>		
On Gold loan	48,670.80	40,120.99
On Micro Finance	3,168.63	1,089.30
On loan against property	86.53	91.63
<b>ii) Interest on deposits with bank</b>	1,426.68	961.02
<b>Total</b>	<b>53,352.64</b>	<b>42,262.94</b>

## Note 17: Other income on loans

(Rupees in Lakhs)

Particulars	Year ended March 31, 2023 (Audited)	Year ended March 31, 2022 (Audited)
	On Financial asset measured at amortised cost	On Financial asset measured at amortised cost
Processing fees on loans	769.65	423.35
<b>Total</b>	<b>769.65</b>	<b>423.35</b>

## Note 18: Net gain on fair value changes

(Rupees in Lakhs)

Particulars	Year ended March 31, 2023 (Audited)	Year ended March 31, 2022 (Audited)
(A) Net gain on financial instruments at fair value through profit or loss		
(i) On trading portfolio		
- Investments	4.16	-
- Derivatives	-	-
- Others	-	-
(B) Loss on fair valuation of equity shares	-	0.13
<b>Total Net gain on fair value changes (C)</b>	<b>4.16</b>	<b>(0.13)</b>
Fair Value changes:		
- Realised		
- Unrealised	4.16	(0.13)
<b>Total Net gain on fair value changes</b>	<b>4.16</b>	<b>(0.13)</b>

**Note 19: Sale of services**
*(Rupees in Lakhs)*

Particulars	Year ended March 31, 2023 (Audited)	Year ended March 31, 2022 (Audited)
Other Operating Income	16.25	28.53
<b>Total</b>	<b>16.25</b>	<b>28.53</b>

**Note 20: Other Income**
*(Rupees in Lakhs)*

Particulars	Year ended March 31, 2023 (Audited)	Year ended March 31, 2022 (Audited)
Other non-operating income	72.51	129.39
<b>Total</b>	<b>72.51</b>	<b>129.39</b>

**Note 21: Finance Costs**
*(Rupees in Lakhs)*

Particulars	Year ended March 31, 2023 (Audited)	Year ended March 31, 2022 (Audited)
	On financial liabilities measured at amortised cost	On financial liabilities measured at amortised cost
Interest on borrowings (other than debt securities)	9,259.63	3,404.62
Term Loan Amortisation	336.86	87.02
Interest on debt securities		
-Public issue	15,521.38	14,442.40
-NCD amortization	536.62	554.63
-Pvt Placement	124.99	234.05
Interest on subordinated liabilities	2,143.02	3,231.11
Bank Charges	426.66	411.56
<b>Total</b>	<b>28,349.16</b>	<b>22,365.39</b>

**Note 22: Impairment on financial instruments**
*(Rupees in Lakhs)*

Particulars	Year ended March 31, 2023 (Audited)	Year ended March 31, 2022 (Audited)
	On financial instruments measured at amortised cost	On financial instruments measured at amortised cost
Loans	(316.46)	668.69
Bad Debts Written Off	80.81	51.18
Other Assets	6.98	6.98
<b>Total</b>	<b>(228.67)</b>	<b>726.85</b>

**Note 23: Employee Benefits Expenses**
*(Rupees in Lakhs)*

Particulars	Year ended March 31, 2023 (Audited)	Year ended March 31, 2022 (Audited)
Salaries and Wages	9,357.49	7,488.96
Gratuity	130.64	123.69
Bonus	235.33	221.04
Contributions to Provident and Other Funds	711.39	616.78
Staff Welfare Expenses	18.50	3.64
<b>Total</b>	<b>10,453.35</b>	<b>8,454.11</b>

**Note 24: Depreciation, amortization and impairment**
*(Rupees in Lakhs)*

Particulars	Year ended March 31, 2023(Audited)	Year ended March 31, 2022 (Audited)
Depreciation of tangible assets	637.14	508.95
Amortization of intangible assets	10.69	1.35
<b>Total</b>	<b>647.83</b>	<b>510.30</b>



**Note 25: Other Expenses**
*(Rupees in Lakhs)*

Particulars	Year ended March 31, 2023 (Audited)	Year ended March 31, 2022(Audited)
Rent, taxes and energy costs	2,857.44	2,480.50
Repairs and maintenance	358.93	243.80
Communication Costs	300.51	296.28
Printing and stationery	332.73	162.23
Advertisement and publicity	1,098.04	602.04
Director's fees, allowances and expenses	24.82	21.44
Auditor's fees and expenses	31.94	26.22
Legal and Professional charges	183.92	174.29
Insurance	120.78	175.30
General Office Expenses	544.46	131.44
Brokerage expenses	1.50	-
Travelling Expenses to Staff	608.21	305.18
Vehicle Running & Maintenance Expenses	7.66	5.17
Security Charges	291.24	197.92
Subscription Charges	23.29	18.63
Corporate social responsibility	96.71	74.28
Public Issue NCD Expenses	159.98	107.97
Loss on sale of Fixed assets	-	1.27
Other expenditure	2.91	1.38
<b>Total</b>	<b>7,045.07</b>	<b>5,025.34</b>

**Note 25.1 Auditor's fees and expenses**
*(Rupees in Lakhs)*

Particulars	Year ended March 31, 2023 (Audited)	Year ended March 31, 2022 (Audited)
For Statutory audit	22.94	15.00
Tax Audit	5.00	5.00
For Limited Review	3.75	4.01
For other services	0.25	2.21
<b>Total</b>	<b>31.94</b>	<b>26.22</b>

**Note 26: 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.

Particulars	Period ended March 31, 2023 (Audited)	Period ended March 31, 2022 (Audited)
Net profit attributable to ordinary equity holders in lakhs	6,728.45	4,629.40
<b>Weighted average number of equity shares for basic earnings per share</b>	<b>2,49,52,539</b>	<b>2,49,52,539</b>
Effect of dilution:		
<b>Weighted average number of equity shares for diluted earnings per share</b>	<b>2,49,52,539</b>	<b>2,49,52,539</b>
<b>Earnings per share:</b>		
<b>Basic earnings per share (₹)</b>	<b>26.96</b>	<b>18.55</b>
<b>Diluted earnings per share (₹)</b>	<b>26.96</b>	<b>18.55</b>

# Notes to Financial Statements

## for the year ended 31<sup>st</sup> March, 2023

### 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 861 branches across the country.

The Company is registered with the Reserve Bank of India (RBI), Ministry of Corporate Affairs (MCA) and Insurance Regulatory and Development Authority of India (IRDA).

The registration details are as follows:

RBI : N-16.00175

Corporate Identity Number (CIN): U65910KL1998PLC012154

IRDA : CA0122

The Company is engaged in full-fledged Gold Loan business, its debt securities are listed on Bombay Stock Exchange and has accepted debentures & subordinated debt under private placement in compliance with RBI guidelines and listed public debentures in compliance with SEBI regulations. As part of diversification of business of the Company, apart from the core business of Gold Loan, the Company has entered the area of Microfinance, Insurance agency business, Money transfers, Travel & Tourism etc.

RBI has introduced Scale Based Regulatory framework (SBR) vide its circular dated October 22, 2021, to be effective from October 01<sup>st</sup>, 2022. Under the framework, the Company will fall under Middle Layer (NBFC-ML) as it has an asset size of more than Rs 1,000 crores.

The Registered and Corporate office of the Company is situated at 65/623K, Muthoottu Royal Towers, Kaloor, Kochi, Ernakulam, Kerala-682017

The financial statements of the Company for the year ended March 31, 2023 were approved for issue in accordance with the resolution of the Board of Directors on May 17, 2023.

### 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 recognized 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

MCA has not notified any new standards during the year

ended 31<sup>st</sup> March 2023

The Amendments in the Companies (Indian Accounting Standards) Amendment rules, 2022 which will be effective from 01.04.2023 onwards.

## **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) on the gross carrying amount of financial assets measured at amortized cost other than credit impaired assets and financial assets classified as measured at FVTPL

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 collect-

ability 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:

- Step1 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
- Step4 Allocate the transaction price to the performance obligation in the contracts
- Step 5 Recognize revenue when the Company satisfies a performance obligation

#### **(d) Net gain/loss on fair value changes**

Any differences between the fair values of financial assets classified as fair value through the profit or loss (refer Note 18), held by the Company on the balance sheet date is recognised as an unrealised gain/loss. In cases there is a net gain in the aggregate, the same is recognised in 'Net gains on fair value changes' under Revenue from operations and if there is a net loss the same is disclosed under 'Expenses' in the Statement of Profit and Loss. Similarly, any realised gain or loss on sale of financial instruments measured at FVTPL and debt or equity instruments measured at FVOCI is recognised in net gain / loss on fair value changes. As at the reporting date, the Company does not have any debt instruments measured at FVOCI.

## **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 judgment 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:

- o 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.
- o 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.
- o 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.

As required by RBI Circular reference no. RBI/2019-20/170 DOR (NBFC).CC.PD.No. 109/22.10.106/ FY 2019-20 dated March 13, 2020; where impairment allowance under Ind AS 109 is lower than the provisioning required as per extant prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP) including borrower/beneficiary wise classification, provisioning for standard as well as restructured assets, NPA ageing, etc., the Company shall appropriate the difference from their net profit or loss after tax to a separate 'Impairment Reserve'.

**Upgradation of accounts classified as Stage 3/Non-performing assets (NPA)** - The Company upgrades loan accounts classified as Stage 3/ NPA to 'standard' asset category only if the entire arrears of interest, principal and other amount are paid by the borrower and there is no change in the accounting policy followed by the Company in this regard. With regard to upgradation of accounts classified as NPA due to restructuring, the instructions as specified for such cases as per the said RBI guidelines shall continue to be applicable.

#### 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 participant's 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 I - 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. Finance cost

Finance costs represents Interest expense recognized by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial other than financial liabilities classified as FVTPL.

The EIR in case of a financial liability is computed at the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the gross carrying amount of the amortized cost of a financial liability, by considering all the contractual terms of the financial instrument in estimating the cash flows.

Finance cost Including all fees paid between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows is recognised in interest expense with the corresponding adjustment to the carrying amount of the financial liability. Interest expense includes issue costs that are initially recognised as part of the carrying value of the financial liability and amortised over the expected life using the effective interest method. These include fees and commissions payable to advisers and other expenses such as external legal costs, rating fee etc, provided these are incremental costs that are directly related to the issue of a financial liability.

#### E. 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.

#### F. Other income and expenses

All other income and expense are recognised in the period they occur.

#### G. 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.

#### **H. 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.

#### **I. 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.

#### **J. 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.

#### **K. 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

Particulars	Useful life as per Companies Act (in years)	Useful life estimated by the Company (in years)
Video surveillance equipment	15	15
Air conditioner	10	10

#### L. 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.

#### M. 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 13 February, 2023. 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.

#### N. 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."

#### O. 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.

#### P. Contingent Assets

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.

#### Q. 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.

## R. 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.

## S. 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.

## T. 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.

## U. Ind AS 101 - First-time Adoption of Indian Accounting Standards

Exemptions applied Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions: On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets as at March 31, 2019 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment and intangible assets as on April 01, 2019.

## IV. Significant accounting judgments, 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 in 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	2022-23	2021-22
Profit or Loss section:		
(i) Current income tax:		
Current income tax expense	1,374.76	1,156.43
Tax expense of prior periods	-	-
(ii) Deferred tax:		
Tax expense on origination and reversal of temporary differences	74.01	156.64
Income tax expense reported in Profit or Loss [(i) + (ii)]	<b>1,448.77</b>	<b>1,313.07</b>
Other Comprehensive Income (OCI) section:		
(i) Items that will not be reclassified to profit or loss		
- Remeasurement of defined benefit plans	-	(79.13)
(ii) Items to be reclassified to profit or loss in subsequent periods:	-	-
Income tax expense reported in Other Comprehensive Income[(i)+(ii)]	-	<b>(79.13)</b>
Retained earnings:		
Current income tax	1,374.76	1,156.43
Deferred tax	74.01	77.51
Income tax expense reported in retained earnings	<b>1,448.77</b>	<b>1,233.94</b>

**(b) Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate**
*(Rupees in lakhs)*

Particulars	2022-23	2021-22
Accounting profit before tax as per Ind AS	8,177.22	5,942.47
At India's Statutory Income Tax rate of 29.12%	2,381.21	1,730.45
Add/(Less) : Ind AS adjustments on PBT	-	-
Add/(Less) : Allowances / disallowances (Net) for which deferred tax not taken	(102.03)	207.58
Add: Excess/(Lower) Tax paid as per MAT and interest thereof	(830.41)	(624.96)
Deferred tax	-	-
Total tax expenses in Profit/Loss Statement	<b>1,448.77</b>	<b>1,313.07</b>

**The effective Income Tax rate for both FY 2022-23 & PY 2021-22: 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 31-03-2023	As at 31-03-2022	Year ended 31-03-2023	
		Balance sheet		Statement of Profit and Loss	OCI
(a)	Re measurement gain / (loss) on defined benefit plan	144.26	135.04	9.21	-
(b)	Impact of carry forward losses	-	-	-	-
(c)	Difference between book depreciation and tax depreciation	503.76	569.74	(65.98)	-
(d)	Financial assets measured at Fair value	(0.85)	0.35	(1.20)	-
(e)	Net impact of gain on de recognition of financial instruments under amortised cost category	(427.15)	(411.28)	(15.86)	-
(f)	Other temporary differences		0.18	(0.18)	-
	Net deferred tax assets/(liabilities)	220.02	294.03	(74.01)	-

**(d) Reconciliation of deferred tax (assets)/liabilities**
*(Rupees in lakhs)*

Sl. No	Particulars	2022-23	2021-22
(a)	Opening balance as at April 1	294.03	371.54
(b)	Deferred Tax income/(expense) during the period recognized in:		
	(i) Statement of Profit and Loss in Profit or Loss section	(74.01)	(156.64)
	(ii) Statement of Profit and Loss under OCI section		79.13
	Closing balance as at March 31	<b>220.02</b>	<b>294.03</b>

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 31-03-2023	As at 31-03-2022
Actuarial Loss/ (Gain) on Obligation side during the period	-20.50	271.72

**Reconciliation of Net asset/liability**

Particulars	As at 31-03-2023	As at 31-03-2022
Opening Net liability	463.72	156.65
Expense recognized in P/L	130.64	123.69



Particulars	As at 31-03-2023	As at 31-03-2022
Actuarial loss/(Gain) recognized in OCI	(20.50)	271.72
Contribution paid by employer	(78.47)	(88.34)
Closing Net Liability	495.39	463.72

#### Expenses recognized in the statement of profit and loss

Particulars	As at 31-03-2023	As at 31-03-2022
Current Service Cost	99.51	115.25
Past Service Cost	-	-
Settlement Cost/(Credit)	-	-
Net Interest on Obligation/Asset	31.13	8.43
Expenses recognized in the statement of Profit & Loss	130.64	123.69

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

Particulars	31.03.2023	31.03.2022
Discount Rate	7.280%	7.335%
Compensation Escalation Rate	3.50%	3.5%
Mortality rate during employment	Indian Assured Lives mortality (2012-14)	Indian Assured Lives mortality (2012-14)

#### Sensitivity Analysis

Assumptions	31-03-2023		31-03-2023		31-03-2022		31-03-2022	
	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	(432.38)	572.28	574.10	(429.74)	(406.06)	534.22	536.09	(403.62)

### 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
Maliakal Jose Paul	
Manoj Kumar R	Non- executive Director
Roy M Mathew	Relatives of Key Managerial Personnel / Director
Muthoottu Royal Gold	
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 Infotech Private Limited	
Muthoottu Finance and Services Pvt Ltd	
Miilanche	

**(b) Transactions during the financial year with related parties as on 31.03.2023**
*(Rupees in lakhs)*

Particulars	Key managerial personnel				
	Mathew Muthoottu (Managing Director)	Nizzy Mathew (Whole Time Director)	P E Mathai (CEO)	Ann Mary George, ACA (CFO)	Smitha. K.S ACS (CS)
Salary and allowance	264.00	180.00	67.79	45.84	21.84
Rent / maintenance charges	3.59	1.16	-	-	-
Debenture interest/ Subordinated debt interest	1.53	4.12	-	-	-
Debenture redeemed	15.20	7.50	-	-	-
Debenture holdings	10.00	39.11	-	-	-
Subordinated debt Redeemed	4.50	-	-	-	-
Advance for property	-	-	-	-	-
Travelling Expense	17.33	1.04	-	-	-

Particulars	Directors		
	Maliakal Jose Paul	M S Rajagopal	Manoj Kumar R
Sitting fee	1.75	3.15	1.55

Particulars	Relative of KMP		Entity in which KMP has significant influence					
	Roy M Mathew	Royal Gold	Mini Muthoottu Nidhi Kerala Ltd	MM Nirman and Real Estate P Ltd	Muthoottu Mini Hotels P Ltd	Muthoottu Finance and services Pvt Ltd	Milanche	Muthoottu Infotech
Rent/ maintenance charges	5.44	-	7.23	6.60	6.79	-		
Rent received	-	3.59	18.95	-	-		2.12	0.28
Debenture interest / Subordinated debt interest	0.36	-	-	-	-	-		
Subdebt Holdings	5.00							
Subdebt Redeemed	1.12	-	-	-	-	-		
Loan against property outstanding	-	-	-	-	596.39	-		
Interest on Loan against property	-	-	-	-	86.53	-		
Principal repayment of Loan against property	-	-	-	-	39.23	-		
Purchase for marketing activities	-	-	-	-	-	30.86		
Purchase of materials	-	-	-	-	-	-	26.10	
Commission Received	-	8.71	-	-	-	-		
Purchase of Gold Coin	-	3.02	-	-	-	-		
IT Consultancy & Support Services								22.23

### (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 Hotels Private Limited;
2. Muthoottu Mini Theatres 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

Transaction during the financial year with related parties as on 31.03.2022.

(Rupees in lakhs)

Particulars	Key managerial personnel				
	Mathew Muthoottu (Managing Director)	Nizzy Mathew (Whole Time Director)	P E Mathai (CEO)	Ann Mary George, ACA (CFO)	Smitha. K.S ACS (CS)
Salary and allowance	239.00	180.00	61.62	42.12	20.52
Rent / maintenance charges	3.50	1.12	-	-	-
Debenture interest/ Subordinated debt interest	2.79	3.87	-	-	-
Debenture redeemed	5.40	3.00	-	-	-
Debenture holdings	18.20	31.75	-	-	-
Subordinateddebt Holdings	4.50	-	-	-	-
Advance for property	-	-	-	-	-
Travelling Expense	13.56	0.49	-	-	-

Particulars	Directors			
	John V George	Maliakal Jose Paul	M S Rajagopal	Manoj Kumar R
Sitting fee	0.45	2.55	3.15	1.25

Particulars	Relative of KMP		Entity in which KMP has significant influence				
	Roy M Mathew	Royal Gold	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	4.16		6.17	4.15	2.40	-	-
Rent received	-	2.63	17.21	-	-	-	1.20
Debenture interest/ Subordinated debt interest	0.19		-	-	-	-	-
Subdebt Holdings	1.12		-	-	-	-	-
Loan against property outstanding	-		-	-	635.62	-	-
Interest on Loan against property	-		-	-	91.63	-	-
Principal repayment of Loan against property	-		-	-	34.14	-	-
Purchase of Materials	-		-	-	-	-	27.43
Diary printing	-		-	-	-	61.18	-
Commission Received	-	1.85	-	-	-	-	-
Purchase of Gold Coin	-	1.98	-	-	-	-	-

#### 4. Managerial remuneration

(Rupees in lakhs)

Whole time director	2022-23	2021-22
Nizzy Mathew	180.00	180.00
Mathew Muthoottu	264.00	239.00
Key managerial person		
P E Mathai	67.79	61.62
Ann Mary George	45.84	42.12
Smitha K S	21.84	20.52
<b>Total</b>	<b>579.47</b>	<b>543.26</b>

#### 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 31.03.2023	As at 31.03.2022
1. CRAR- Tier I Capital	55,983.82	49,453.51
2. CRAR- Tier II Capital	23,893.12	9,437.04
3. Total Capital	79,876.94	58,890.55
4. Risk Weighted Assets	3,50,103.70	2,71,974.29
5. CRAR- Tier I Capital (%)	15.99%	18.18%
6. CRAR- Tier II Capital (%)	6.82%	3.47%
7. Total CRAR (%)	22.81%	21.65%

#### 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	31-03-2023				31-03-2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value on a recurring basis</b>								
Financial investment held for trading	-	-	-	-	-	-	-	-
Equity Shares	8.73	-	971.80	980.53	4.58	-	900.00	904.58
<b>Total Assets measured at fair value on a recurring basis</b>	<b>8.73</b>	<b>-</b>	<b>971.80</b>	<b>980.53</b>	<b>4.58</b>	<b>-</b>	<b>900.00</b>	<b>904.58</b>
<b>Assets measured at fair value on a non-recurring basis</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Liabilities measured at fair value on a recurring basis</b>								

Particulars	31-03-2023				31-03-2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Derivative financial instruments								
-Forward contracts	-	-	-	-	-	-	-	-
-Cross Currency Swaps	-	-	-	-	-	-	-	-
<b>Total derivative financial instruments</b>	-	-	-	-	-	-	-	-
<b>Total Liabilities measured at fair value on a recurring basis</b>	-	-	-	-	-	-	-	-
<b>Liabilities measured at fair value on a non-recurring basis</b>	-	-	-	-	-	-	-	-

### c. Valuation Technique

Equity Instruments: Equity instruments in non-listed entities are initially recognised at transaction price and re-measured (to the extent information is available) and valued on a case-by case and classified as Level 3. Quoted equity instruments on recognised stock exchanges are valued at Level 1 hierarchy being the unadjusted quoted price as at 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. Movements in Level 3 financial instruments measured at fair value:

The following tables show a reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities which are recorded at fair value. Transfers from Level 3 to Level 2 occur when the market for some securities became more liquid, which eliminates the need for the previously required significant unobservable valuation inputs. Since the transfer, these instruments have been valued using valuation models incorporating observable market inputs. Transfers into Level 3 reflect changes in market conditions as a result of which instruments become less liquid. Therefore, the Company requires significant unobservable inputs to calculate their fair value. The following tables show the reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities measured at fair value:

(Rupees in lakhs)

Particulars	Equity Instruments	
	As at March 31, 2023	As at March 31, 2022
<b>Opening Balance</b>	<b>900.00</b>	<b>0.00</b>
Purchase	71.80	900.00
Sales		
Unrealized gains and losses related to balances held at the end of the year	0.00	0.00
<b>Closing Balance</b>	<b>971.80</b>	<b>900.00</b>

### f. 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	
		31-03-2023	31-03-2022	31-03-2023	31-03-2022
<b>Financial assets</b>					
Cash and cash equivalents	1	14,913.36	35,532.73	14,913.36	35,532.73
Bank Balance other than (a) above	1	20,589.07	15,124.54	20,589.07	15,124.54
Loans	3	3,24,398.88	2,47,664.61	3,24,398.88	2,47,664.61
Investments	1	980.53	904.58	980.53	904.58
Other financial assets	3	2,386.03	2,167.49	2,386.03	2,167.49
<b>Total Financial assets</b>		<b>3,63,267.87</b>	<b>3,01,393.95</b>	<b>3,63,267.87</b>	<b>3,01,393.95</b>
<b>Financial liabilities</b>					

Particulars	Level	Carrying Value		Fair Value	
		31-03-2023	31-03-2022	31-03-2023	31-03-2022
Debt Securities	2	143,772.51	1,61,162.47	143,772.51	1,61,162.47
Borrowings (other than debt securities)	2	1,52,665.35	77,321.61	1,52,665.35	77,321.61
Subordinated liabilities	2	24,300.29	26,587.21	24,300.29	26,587.21
Other financial liabilities	2	1,739.64	1,472.49	1,739.64	1,472.49
<b>Total Financial liabilities</b>		<b>3,22,477.79</b>	<b>2,66,543.78</b>	<b>3,22,477.79</b>	<b>2,66,543.78</b>

#### g. 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.

#### A. Risk management structure

The Company has constituted Risk Management Committee comprising members of the Board 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.

#### B. 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:

- 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;
- 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
- 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.

#### C. Internal Audit Department & Risk Audit

Company's internal audit department assists in the management of operational risk. 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 Company.

#### D. Assets-Liabilities Management Policy

The asset-liability management policy ("ALM Policy") adopted by the Board is reviewed periodically and last updated on May 20, 2022.

#### E. Analysis of risk concentration

##### (i) 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 ₹ 1 lakh to an individual customer. We also decrease credit risk by close 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 31/03/2023

(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	44,079.73	1,100.19	425.47	45,605.39
Tamil Nadu	1,37,095.00	3,205.53	535.45	1,40,835.99
Andhra Pradesh	37,379.66	1,029.11	69.05	38,477.82
Karnataka	43,182.55	994.91	268.55	44,446.02
Others*	54,722.68	2,089.09	101.28	56,913.05
Total	3,16,459.63	8,418.83	1399.81	3,26,278.27

As on 31/03/2022

(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	25,087.18	1,308.70	510.15	26,906.03
Tamil Nadu	1,09,103.93	4,333.78	556.20	1,13,993.91
Andhra Pradesh	24,706.43	1,017.64	84.82	25,808.89
Karnataka	36,854.70	1,414.07	275.96	38,544.73
Others*	42,544.49	1,963.19	99.22	44,606.90
Total	2,38,296.73	10,037.38	1,526.35	2,49,860.46

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

##### (ii) 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 31/03/2023

(Rupees in lakhs)

Particulars	As at March 31, 2023	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
<b>ASSETS</b>											
<b>Financial assets</b>											
Cash and cash equivalents	14,913.36	14,913.36	14,913.36						14,913.36	-	
Bank Balance other than (a) above	20,589.07	20,589.07	20,589.07						20,589.07	-	
Loans									-	-	
(a) Gold Loan	3,03,595.41	3,03,595.41				3,03,595.41		1,33,893.02	4,37,488.43	-	1,281.37
(b) Loan Against Property	554.69	554.69		554.69				827.81	1,382.50		133.63
(c) Micro finance	20,248.78	20,248.78							-	20,248.78	464.39
Investments	980.53	980.53					980.53		980.53	-	
Other financial assets	2,386.03	2,386.03							-	2,386.03	
<b>Total</b>	<b>3,63,267.87</b>	<b>3,63,267.87</b>	<b>35,502.43</b>	<b>554.69</b>		<b>3,03,595.41</b>	<b>980.53</b>	<b>1,34,720.83</b>	<b>4,75,353.89</b>	<b>22,634.81</b>	<b>1,879.39</b>

#### As at 31/03/2022

(Rupees in lakhs)

Particulars	As at March 31, 2022	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
<b>ASSETS</b>											
<b>Financial assets</b>											
Cash and cash equivalents	35,532.73	35,532.73	35,532.73						35,532.73	-	
Bank Balance	15,124.54	15,124.54	15,124.54						15,124.54	-	
Loans									-	-	
(a) Gold Loan	2,42,697.48	2,42,697.48				2,42,697.48		1,10,737.12	3,53,434.60	-	1,479.65
(b) Loan Against Property	727.55	727.55		727.55				654.95	1,382.50		139.64
(c) Micro finance	6,435.43	6,435.43							-	6,435.43	576.56
Investments	904.58	904.58					904.58		904.58	-	
Other financial assets	2,167.49	2,167.49							-	2,167.49	
<b>Total</b>	<b>3,03,589.80</b>	<b>3,03,589.80</b>	<b>50,657.27</b>	<b>727.55</b>		<b>2,42,697.48</b>	<b>904.58</b>	<b>1,11,392.07</b>	<b>4,06,378.95</b>	<b>8,602.92</b>	<b>2,195.85</b>

#### (iii) 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.

#### (iv) 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.

#### (v) 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 of 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, 2023, our Company has a total insurance cover of ₹4,00,000 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	43.06%	43.06%	43.06%
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	6.32%	6.32%	100.00%
Microfinance	6.45%	6.45%	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	6.33%	6.33%	6.33%
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

#### (vi) 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, 2023

#### Maturity pattern of assets and liabilities as on March 31, 2023

(Rupees in lakhs)

Particulars	As at March, 31 2023	Upto 1 months	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
<b>Financial assets</b>									
Cash and cash equivalents	14,913.36	8,554.66	3,363.34	2,995.36					
Bank Balance other than (a) above	20,589.07				5,189.04	8,149.42	5,961.66	1288.95	
Receivables									
Loans	3,24,398.88	7,120.79	17,519.29	21,900.34	66,152.62	1,90,977.01	18,732.63	275.50	1,720.70
Investments	980.53								980.53
Other financial assets	2,386.03	186.18					2,199.85		
<b>Total Financial Assets</b>	<b>3,63,267.87</b>	<b>15,861.63</b>	<b>20,882.63</b>	<b>24,895.70</b>	<b>71,341.66</b>	<b>1,99,126.43</b>	<b>26,894.14</b>	<b>1,564.45</b>	<b>2,701.23</b>
<b>Financial Liabilities</b>									
Debt Securities	1,43,772.51	2,586.61	4,022.35		16,011.36	6,613.88	69,522.14	41,323.73	3,692.44
Borrowings (other than debt securities)	1,52,665.35	1,834.47	1,930.19	4,612.92	7,102.33	98,046.37	37,169.48	1,936.83	32.76
Subordinated liabilities	24,300.29	579.55	8.26				1,593.08	12,705.80	9,413.60
Other financial liabilities	1,739.64	141.02	141.02	141.02	423.07	846.16	47.35		
<b>Total Financial Liabilities</b>	<b>3,22,477.79</b>	<b>5,141.65</b>	<b>6,101.82</b>	<b>4,753.94</b>	<b>23,536.76</b>	<b>1,05,506.41</b>	<b>1,08,332.05</b>	<b>55,966.36</b>	<b>13,138.81</b>
<b>Net Undiscounted Asset/ (Liabilities)</b>		<b>10,719.98</b>	<b>14,780.81</b>	<b>20,141.76</b>	<b>47,804.90</b>	<b>93,620.02</b>	<b>-81,437.91</b>	<b>-54,401.91</b>	<b>-10,437.58</b>

**Maturity pattern of assets and liabilities as on March 31, 2022**
*(Rupees in lakhs)*

Particulars	As at March, 31 2022	Upto 1 months	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
<b>Financial assets</b>									
Cash and cash equivalents	35,532.73	29,677.26	3,771.21	2,084.26					
Bank Balance other than (a) above	15,124.54	1,478.34	394.69	100.47	2,408.99	8,164.66	2,577.39		
Receivables									
Loans	2,47,664.61	36,618.61	14,443.45	17,937.28	83,050.82	90,110.01	5,004.97	128.03	371.44
Investments	904.58								904.58
Other financial assets	2,167.49	56.12					2,111.37		
<b>Total Financial Assets</b>	<b>3,01,393.95</b>	<b>67,830.33</b>	<b>18,609.35</b>	<b>20,122.01</b>	<b>85,459.81</b>	<b>98,274.67</b>	<b>9,693.73</b>	<b>128.03</b>	<b>1,276.02</b>
<b>Financial Liabilities</b>									
Debt Securities	1,61,162.47	4,442.00	3,198.71	420.98	24,963.37	15,889.55	59,377.58	37,162.46	15,707.82
Borrowings (other than debt securities)	77,321.61	573.95	573.95	617.95	52,729.06	5,073.72	16,514.86	1,238.12	-
Subordinated liabilities	26,587.21	7,729.96	4,965.71	3,780.45	823.30	1,011.56	269.50	2,170.09	5,836.64
Other financial liabilities	1,472.49	676.04	71.01	71.01	213.02	426.01	15.40		
<b>Total Financial Liabilities</b>	<b>2,66,543.78</b>	<b>13,421.95</b>	<b>8,809.38</b>	<b>4,890.39</b>	<b>78,728.75</b>	<b>22,400.84</b>	<b>76,177.34</b>	<b>40,570.67</b>	<b>21,544.46</b>
<b>Net Undiscounted Asset/(Liabilities)</b>		<b>54,408.38</b>	<b>9,799.97</b>	<b>15,231.62</b>	<b>6,731.06</b>	<b>75,873.83</b>	<b>(66,483.61)</b>	<b>(40,442.64)</b>	<b>(20,268.44)</b>

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
<b>AS at March 31, 2023</b>								
Income tax demands						851.57		
<b>AS at March 31, 2022</b>								
Income tax demands						624.12		

**(vii) Interest Rate Risk**

The Company's exposure to changes in interest rates relates 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:

Particulars	1% increase	1% decrease
<b>On Floating Rate Borrowings</b>	<b>1,533.67</b>	<b>(1,533.67)</b>

**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 ₹ 2,196.71 lakhs (Previous year ₹1,883.71 lakhs) are recognized as rent paid in the Statement of Profit and loss.

## 9. Transferred financial assets that are not derecognised in their entirety

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, 2023	Year ended March 31, 2022
<b>Securitisations</b>		
Carrying amount of transferred assets measured at amortised cost(Held as collateral)	Nil	Nil
Carrying amount of associated liabilities (Borrowings (other than debt securities)- measured at amortised cost)	Nil	Nil
Fair Value of assets	Nil	Nil
Fair value of associated liabilities	Nil	Nil
<b>Net position at Fair Value</b>	Nil	Nil

## 10. 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 March31, 2023	Within 12 months	After 12 months
<b>ASSETS</b>			
<b>Financial assets</b>			
Cash and cash equivalents	14,913.36	14,913.36	-
Bank Balance other than (a) above	20589.07	13,338.46	7,250.61
Loans	3,24,398.88	3,03,991.63	20,407.25
Investments	980.53	-	980.53
Other financial assets	2,386.03	186.18	2,199.85
<b>Non-financial Assets</b>		-	-
Current tax assets (Net)	1,789.42	-	1,789.42
Deferred tax assets (Net)	220.02	-	220.02
Property, Plant and Equipment	19,389.58	-	19,389.58
Other intangible assets	76.30	-	76.30
Other non-financial assets	1,069.29	1,069.29	-
<b>Total Assets</b>	<b>3,85,812.48</b>	<b>3,33,498.92</b>	<b>52,313.56</b>
<b>LIABILITIES</b>			
<b>Financial Liabilities</b>			
Debt Securities	1,43,772.51	28,469.08	1,15,303.43
Borrowings (other than debt securities)	1,52,665.35	83,837.18	68,828.17
Subordinated liabilities	24,300.29	587.81	23,712.48
Other financial liabilities	1,739.64	1,692.29	47.35
<b>Non-financial Liabilities</b>		-	-
Provisions	509.34	509.34	-
Other non-financial liabilities	306.24	306.24	-
<b>Total Liabilities</b>	<b>3,23,293.37</b>	<b>1,15,401.94</b>	<b>2,07,891.43</b>
<b>Net Undiscounted Asset/(Liabilities)</b>		<b>2,18,096.98</b>	<b>(1,55,577.87)</b>



*Rupees in lakhs)*

Particulars	As at March 31,2022	Within 12 months	After 12 months
<b>ASSETS</b>			
<b>Financial assets</b>			
Cash and cash equivalents	35,532.73	35,532.73	-
Bank Balance other than (a) above	15,124.54	12,547.15	2,577.39
Loans	2,47,664.61	2,42,160.17	5,504.44
Investments	904.58	-	904.58
Other financial assets	2,167.49	56.12	2,111.37
<b>Non-financial Assets</b>		-	-
Current tax assets (Net)	2,340.28	-	2,340.28
Deferred tax assets (Net)	294.03	-	294.03
Property, Plant and Equipment	18,428.37	-	18,428.37
Other intangible assets	10.24	-	10.24
Other non-financial assets	613.39	613.39	-
<b>Total Assets</b>	<b>3,23,080.26</b>	<b>2,90,909.56</b>	<b>32,170.70</b>
<b>LIABILITIES</b>			
<b>Financial Liabilities</b>			
Debt Securities	1,61,162.47	48,914.61	1,12,247.86
Borrowings (other than debt securities)	77,321.61	59,568.63	17,752.98
Subordinated liabilities	26,587.21	18,310.98	8,276.23
Other financial liabilities	1,472.49	1,457.09	15.40
<b>Non-financial Liabilities</b>		-	-
Provisions	470.70	470.70	-
Other non-financial liabilities	295.62	295.62	-
<b>Total Liabilities</b>	<b>2,67,310.10</b>	<b>1,29,017.63</b>	<b>1,38,292.47</b>
<b>Net Undiscounted Asset/(Liabilities)</b>		<b>1,61,891.93</b>	<b>(1,06,121.77)</b>

#### 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 2022	Cash flows	Change in Fair Value	Others	As at 31 March 2023
Borrowings (other than debt securities)	77,321.61	75,343.74	-	-	1,52,665.35
Subordinated liabilities	26,587.21	(2,286.92)	-	-	24,300.29
Debt Securities	1,61,162.47	(17,659.28)	-	269.32	1,43,772.51
<b>Total</b>	<b>2,65,071.29</b>	<b>55,397.54</b>		<b>269.32</b>	<b>3,20,738.15</b>

*(Rupees in lakhs)*

Particulars	As at 31 March 2021	Cash flows	Change in Fair Value	Others	As at 31 March 2022
Borrowings (other than debt securities)	36,982.46	40,474.20	-	(135.05)	77,321.61
Subordinated liabilities	33,802.18	(7,214.97)	-	-	26,587.21
Debt Securities	1,28,066.82	33,263.79	-	(168.14)	1,61,162.47
<b>Total</b>	<b>1,98,851.46</b>	<b>66,523.02</b>		<b>(303.19)</b>	<b>2,65,071.29</b>

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

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

### 13. Contingent liabilities and other commitments

#### A. Contingent liability

(Rupees in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Claims against the company not acknowledged as debts - Income tax demands	851.57	624.12

#### a. Claims against the company not acknowledged as debts

Sl. No	Name of the statute	Nature of Dues	Tax Demand (In lakhs)	Tax paid (In lakhs)	Period to which the amount relates	Forum where dispute is pending
1	Income Tax Act, 1961	Income Tax demands	68.58	51.65	AY 2010-11	Commissioner of Income-tax (Appeals), Kochi
2	Income Tax Act, 1961	Income Tax demands	199.84*	39.96	AY 2013-14	Commissioner of Income-tax (Appeals), Kochi
3	Income Tax Act, 1961	Income Tax demands	270.19*	54.04	AY 2015-16	Commissioner of Income-tax (Appeals), Kochi
4	Income Tax Act, 1961	Income Tax demands	170.38*	34.08	AY 2016-17	Commissioner of Income-tax (Appeals), Kochi
5	Income Tax Act, 1961	Income Tax demands	118.58*	23.72	AY 2017-18	Commissioner of Income-tax (Appeals), Kochi
6	Income Tax Act, 1961	Income Tax demands	227.45	-	AY 2017-18	Honorable High court of Kerala
<b>Total</b>			<b>1055.02</b>	<b>203.45</b>		

\* Of the above, Bank Guarantee in favor of the Commissioner of Income-Tax has been taken for Rs 607.19.

#### B. Other Commitments

- Estimated amount of contracts remaining to be executed on capital accounts, net of advances – nil (PY Nil)
- The capital advance given in the previous FY includes an amount of ₹46.50 lakhs paid to LCode Technologies Pvt. Ltd. for implementing the software product 'Reach NBFC Prosper System'. However, due to the continuous failure of the software during implementation stage and considering the non-responsive attitude of LCode towards the issues raised, the Company has filed termination notice. Currently the case is pending for arbitration proceedings before the Arbitral Tribunal. Kochi.
- Commitments relating to loans sanctioned but undrawn – Nil (PY – Nil)

### 14. Registration of charges or satisfaction with Registrar of Companies

There are no charges or satisfaction yet to be registered with Registrar of Companies beyond the statutory period, as on 31st March 2023.

### 15. Corporate Social Responsibility (CSR)

(Rupees in lakhs)

Particulars	Year ended as at 31.03.2023	Year ended as at 31.03.2022
<b>a) Gross amount required to be spent by the Company during the year</b>	1,22,05,303.50	1,02,87,199.00
<b>b) Amount spent during the year</b>		
- On purposes other than construction/acquisition of any asset		
- Spent	92,70,846.00	77,53,127.00
- Yet to be spent	29,34,457.50	25,34,072.00
<b>Total</b>	<b>1,22,05,303.50</b>	<b>1,02,87,199.00</b>

- Nature of CSR activities:  
Healthcare, Education, Rural infrastructure, eradicating poverty
- Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard:  
NA

- (c) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately.

#### 16. Disclosure regarding auditor's remuneration disclosed under Legal & Professional charges

In addition to auditor's remuneration shown in note 25 other expenses under Auditor's Fees & Expenses, the Company has also incurred remuneration for audit and related statutory services performed in connection with public issue of non-convertible debentures. The same is included in note 25 other expenses under Legal & Professional charges.

#### 17. 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, out of which ₹21.76 lakhs had been refunded to the customers during the current FY and ₹ 0.37 Lakhs during last FY. As on 31st March 2023 the outstanding balance is Rs.102.74 Lakhs.

#### 18. Guarantee for loans taken by others

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

#### 19. Disclosure under the MSME Act 2006

Based on the information available with the Company, 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, 2023 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. Analytical Ratios

(Rupees in lakhs)

Particulars	As at 31.03.2022			As at 31.03.2021	% Variance	Reasons for variance if above 25%
	Numerator	Denominator	Ratio	Ratio		
1. CRAR	79,876.94	3,50,103.70	22.81%	21.65%	1.16%	
2. Tier I CRAR	55,983.82	3,50,103.70	15.99%	18.18%	(2.19%)	
3. Tier II CRAR	23,893.12	3,50,103.70	6.82%	3.47%	3.35%	
4. Liquidity Coverage Ratio	7,683.10	5,494.52	139.8%	365.6%	(225.8%)	The repayments in the next 30 days and High quality liquid asset have been decreased substantially in the current financial year

#### 22. Title Deeds of Immovable properties not held in the name of company

The company does not possess any immovable property (other than properties where the company is the lessee and the lease agreement are duly executed in favour of lessee) whose title deeds are not held in the name of company during the FY ended 31/03/2023 and 31/03/2022.

#### 23. Details of Crypto currency or Virtual Currency

The company has not traded or invested in crypto currency or virtual currency during the FY 31/03/2023 and 31/03/2022.

#### **24. Details of Benami property held**

No proceeding have been initiated or pending against the company for holding any Benami property under the Benami Transaction (Prohibition) Act 1988 (45 of 1988) and rules made thereunder in the FY ended 31/03/2023 and 31/03/2022.

#### **25. Quarterly returns or statements of current assets**

The quarterly returns or statements of current assets filed by the Company with banks are in agreement with the books of accounts.

#### **26. Wilful defaulter**

The company has not been declared as a willful defaulter by any bank or financial institutions or other lender in the financial year ended 31/03/2023 and 31/03/2022.

#### **27. Relationship with Struck off Companies**

The Company has not have any relation with struck off companies as on 31/03/2023 and 31/03/2022.

#### **28. Compliance with approved scheme of Arrangements**

The Company does not have active approved scheme of arrangements as on 31/03/2023 and 31/03/2022.

#### **29. Utilisation of Borrowed fund and share premium**

As part of normal course of business, the Company grants loans to various persons and borrow funds in adherence to all regulatory compliances.

Other than the above, the Company has not advanced or loaned or invested fund (either borrowed funds or share premium or any other sources or kind of funds) to any other person or entities, including foreign entities ("intermediaries") with the understanding, whether recorded in writing or otherwise, that the intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the ultimate Beneficiaries or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries. The Company has also not received any fund from any person or entities, including foreign entities (funding party) with the understanding (whether recorded or in writing or otherwise that the Company shall whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

#### **30. Compliance with number of layers of Companies**

The Company does not have any subsidiary Company. Also, being an NBFC, the clause is not applicable.

#### **31. Items of income and expenditure of exceptional nature**

There are no items of income and expenditure of exceptional nature for the financial years ended March 31, 2023 and March 31, 2022

#### **32. Investment in Subsidiaries**

The Company does not have any subsidiary Company and hence this clause is not applicable.

#### **33. Disclosure on modified opinion, if any, expressed by auditors, its impact on various financial items and views of management on audit qualifications.**

The auditors have expressed an unmodified opinion on the standalone financial statements of the Company for the financial years ended March 31, 2023 and March 31, 2022

#### **34. Corporate Governance report containing composition and category of directors, shareholding of non-executive directors, etc.**

The corporate governance report containing composition and category of directors, shareholding of non-executive directors is part of the annual report for the financial year ended March 31, 2023.

#### **35. Auction Details**

The Company auctioned 12,519 loan accounts (March 31, 2022: 31,394) during the financial year and the outstanding dues on these loan accounts were Rs. 60.81 crores (March 31, 2022: Rs. 188.55) till the respective dates of auction. The Company realised Rs. 61.20 crores (March 31, 2022: Rs.180.91) on auctioning of gold jewellery taken as security on these loans. The Company confirms that none of its sister concerns participated in the above auctions

#### **36. Loans to Directors, Senior Officers and relatives of Directors**

Disclosure pursuant to RBI notification RBI/2022-23/29 DOR.CRE.REC.No.25/ 03.10.001 /2022-23 dated April 19, 2022.

Particulars	Aggregate amount of such sanctioned loans and advances	
	Year Ended March 31, 2023	Year Ended March 31, 2022
Directors and their relatives	-	-
Entities associated with directors and their relatives	-	-
Senior Officers and their relatives	-	-

### 37. Overseas assets (for those with joint ventures and subsidiaries abroad)

The Company does not have any joint venture or subsidiary abroad, hence not applicable.

### 38. Whistle- blower Complaints

There were 5 whistle blower complaints received by the Company during the financial year ended March 31, 2023 and all were resolved during the year itself.

### 39. Discontinued Operations

The Company had no discontinued operations during the financial year ended March 31, 2023 and March 31, 2022

### 40. Breach of covenant

There were no instances of default or breaches of covenant in respect of loan availed or debt securities issued during the financial years ended March 31, 2023 and March 31, 2022.

### 41. Unhedged foreign currency exposure

The Company does not have any unhedged foreign currency exposures for the financial years ended March 31, 2023 and March 31, 2022.

### 42. Undisclosed income

There are no transactions not recorded in the books of accounts for the financial years ended March 31, 2023 and March 31, 2022

### 43. Events after reporting date

The Company had applied for right issue of CIAL amounting to Rs. 125 lakhs during FY 2022-23, out of Share Application the company was allotted a right issue of Rs 71.8 lakhs on 05-05-2023. The excess application money of Rs 53.2 lakhs was credited to bank account on 10-05-2023

### 44. 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 02nd May, 2022)

## SCHEDULE TO THE BALANCE SHEET OF A NON-DEPOSIT TAKING NBFC

Particulars		(Rupees in Lakhs)	
Liabilities side		Amount outstanding	Amount Overdue**
<b>1</b>	<b>Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid : Gross Amount</b>		
(a)	Debentures: Secured	1,29,384.60	183.50
	: Unsecured (other than falling within the meaning of public deposits*)	14,879.64	89.88
(b)	Deferred Credits	-	-
(c)	Term Loans	72,156.17	-
(d)	Inter-corporate loans and borrowing	-	-
(e)	Commercial Paper	-	-
(f)	Public Deposits*	-	-
(g)	Other Loans (specify nature)	-	-
	Subordinated debt	23,988.88	311.41
	Borrowings from banks	81,210.93	-
	* Please see Note 1 below		
	** Debenture Matured but Not Claimed		
<b>2</b>	<b>Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) :</b>		
(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	
<b>3</b>	<b>Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :</b>		
(a)	Secured		3,05,565.10
(b)	Unsecured		20,713.17
<b>4</b>	<b>Break up of Leased Assets and stock on hire and other assets counting towards AFC activities</b>		
(i)	Lease assets including lease rentals under sundry debtors :		
	(a) Financial lease		
	(b) Operating lease		
(ii)	Stock on hire including hire charges under sundry debtors :		
	(a) Assets on hire		
	(b) Repossessed Assets		
(iii)	Other loans counting towards AFC activities		

		(a) Loans where assets have been repossessed			
		(b) Loans other than (a) above			
<b>5</b>	<b>Break-up of Investments</b>				
	<b>Current Investments</b>				
	<b>1</b>	Quoted			
		(i) Shares			
		(a) Equity			-
		(b) Preference			-
		(ii) Debentures and Bonds			-
		(iii) Units of mutual funds			-
		(iv) Government Securities			-
		(v) Others (please specify)			-
	<b>2</b>	Unquoted			
		(i) Shares			-
		(a) Equity			-
		(b) Preference			-
		(ii) Debentures and Bonds			-
		(iii) Units of mutual funds			-
		(iv) Government Securities			-
		(v) Others (please specify)			-
	<b>Long Term investments</b>				
	<b>1</b>	Quoted			
		(i) Share			
		(a) Equity			8.73
		(b) Preference			-
		(ii) Debentures and Bonds			-
		(iii) Units of mutual funds			-
		(iv) Government Securities			-
		(v) Others (please specify)			-
	<b>2</b>	Unquoted			
		(i) Shares			
		(a) Equity			971.80
		(b) Preference			-
		(ii) Debentures and Bonds			-
		(iii) Units of mutual funds			-
		(iv) Government Securities			-
		(v) Others (please specify)			-
<b>6</b>	<b>Borrower group-wise classification of assets financed as in (3) and (4) above :</b>				
		<b>Category</b>	<b>Secured</b>	<b>Unsecured</b>	<b>Total</b>
	<b>1</b>	Related Parties			
		(a) Subsidiaries	-	-	-
		(b) Companies in the same group	596.39	-	596.39
		(c) Other related parties	-	-	-
	<b>2</b>	Other than related parties	3,04,968.71	20,713.17	3,25,681.88
		Less: provisions	1,415.00	464.39	1879.39
		<b>Total</b>	<b>3,04,150.10</b>	<b>20,248.78</b>	<b>3,24,398.88</b>

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	980.53	980.53
		Total	980.53	980.53
8	Other information			
	Particulars			Amount
	(i)	Gross Non-Performing Assets		
		(a) Related parties		-
		(b) Other than related parties		1,399.81
	(ii)	Net Non-Performing Assets		
		(a) Related parties		-
		(b) Other than related parties		1214.68
	(iii)	Assets acquired in satisfaction of debt		
	Notes :			
	(1) As defined in point xix of paragraph 3 of Chapter -2 of these Directions.			
	(2) Under Ind AS 109, Provisioning is made as per Expected credit loss model on financial instruments. If provision as per IRACP norms is higher than ECL the difference accounted as impairment reserve instead of Provision for loans			
	(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 provisioning of assets:

(Rupees in Lakhs)

<b>Particulars</b>	<b>Gross loan outstanding</b>	<b>Provision for assets</b>	<b>Net loan outstanding</b>
(i) Secured Loans			
A) Gold loans			
a) Standard Assets*	3,03,841.92	1,215.87	3,02,626.05
b) Sub-Standard Assets	247.84	15.69	232.15
c) Doubtful Assets	647.52	40.99	606.53
d) Loss Assets	139.49	8.83	130.66
<b>Total-A</b>	<b>3,04,876.77</b>	<b>1,281.38</b>	<b>3,03,595.39</b>
B) Other loans			
a) Standard Assets*	596.39	91.36	505.03
b) Sub-standard Assets	-	-	-
c) Doubtful Assets	-	-	-
d) Loss Assets	91.93	42.26	49.67
<b>Total-B</b>	<b>688.32</b>	<b>133.62</b>	<b>554.7</b>
<b>Total-(A + B)</b>	<b>3,05,565.09</b>	<b>1,415.00</b>	<b>3,04,150.09</b>
(ii) Unsecured loans			

Particulars	Gross loan outstanding	Provision for assets	Net loan outstanding
A) Other loans			
a) Standard Assets*	20,440.16	387.03	20,053.13
b) Sub-standard Assets	27.65	8.36	19.29
c) Doubtful Assets	245.36	68.99	176.37
d) Loss Assets	-	-	-
<b>Total-A</b>	<b>20,713.17</b>	<b>464.38</b>	<b>20,248.79</b>
<b>Total (i + ii)</b>	<b>3,26,278.26</b>	<b>1,879.38</b>	<b>3,24,398.88</b>

\*Includes interest receivable

### 3. Provision for diminution in value of investment

(Rupees in Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Provision for diminution in value of investment	-	-

### 4. Loan to Value Ratio

(Rupees in Lakhs)

Particulars	As at 31.03.2023			As at 31.03.2022		
	Outstanding loan amount	Value of the security	%	Outstanding loan amount	Value of the security	%
Gold loan*	3,04,876.78	4,37,488.43	69.69%	2,42,697.48	3,53,434.60	68.67%

\*includes interest receivable.

LTV disclosed above is calculated applying the market rate of Gold as on 31.03.2023. 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 31.03.2023	As at 31.03.2022
1. No. of gold loan accounts auctioned	12,519.00	31,394.00
2. Principal amount outstanding as on the date of auction	4,648.27	14,744.16
3. Interest amount outstanding as on the date of auction	1,432.57	4,110.36
Total(2+3)	6,080.84	18,854.52
4. Actual value fetched (in Lakhs)	6,120.37	18,091.12

No sister concerns participated in the auctions during the year ended 31/03/2023 and 31/03/2022

### 6. Disclosure of Fraud

#### A. Frauds reported in FMR

(Rupees in lakhs)

SL NO	BRANCH	DATE OF DETECTION / DATE OF REPORTING TO RBI	AMOUNT (IN LAKH)	MODUS OPERANDI & ACTION TAKEN	RECOVERY (LAKH)	AMOUNT WRITTEN OFF	PROVISION	REMARKS
1	KAVERIPATTINAM	23-06-2022 / 08-07-2022	16.71	Staff pledged spurious ornaments in the name of customers.	16.02	0	2.17	16.02 Lakhs recovered from the staff. All culprit staff are terminated on 06-01-2023.
2	SRI KALAHASTI	04-07-2022 / 22-07-2022	29.43	Accused, Sravanthi and Mallikarjuna, stole ornaments from their institution, Fincare Small Finance Bank, and pledged the same in our branch under fictitious customer name in collusion with the BH. Later ornaments were seized by the police on 04/07/2022.	28.68	0.75	0	All culprits are under police custody on the complaint lodged by Fincare and FIR registered in 70/2022. Further our company lodged a complaint against branch manager on 14/07/2022. 28.67 lakhs recovered through insurance and 0.01 lakhs recovered from parties

SL NO	BRANCH	DATE OF DETECTION / DATE OF REPORTING TO RBI	AMOUNT (IN LAKH)	MODUS OPERANDI & ACTION TAKEN	RECOVERY (LAKH)	AMOUNT WRITTEN OFF	PROVISION	REMARKS
3	KARUR	06-09-2022/ 19-09-2022	2.28	Thickly gold coated spurious ornaments intentionally pledged by the customer.	0.5	0	1.78	Investigation going on. Complaint registered under CSR No 749/2022.
4	RAMANATHAPURAM	03-10-2022/ 22-10-2022	1.85	Thickly coated other metal filled inside spurious ornaments were pledged	0	0	1.85	Investigation under process.
5	LALBAGH	06-10-2022/ 25-10-2022	1.5	Thickly gold coated spurious ornaments were pledged which are not easily detectable	1.5	0	0	Full amount recovered from the party on 12-12-2022.
6	VASCO	05-12-2022/ 22-12-2022	1.4	Thickly gold coated spurious ornaments were pledged which are not easily detectable	0	0	1.4	Investigation going on. Complaint registered at Vasco police station
7	KORATEGERE	20-01-2023/ 09-02-2023	1.37	Thickly gold coated spurious ornaments were pledged which are not easily detectable	1.37	0	0	Full amount recovered from the party on 11-02-2023
8	ARUMUGANERI	27-02-2023/ 17-03-2023	1.55	Thickly gold coated spurious ornaments were pledged intentionally by the customer.	0	0	1.55	The case was forwarded from SP office of Thoothukudi to local police station Arumuganeri and the investigation is going on.
9	THIRUVALLUR	09-03-2023/ 27-03-2023	2.52	Thickly gold coated spurious ornaments were pledged intentionally by the customer.	2.52	0	0	Full amount recovered on 01-04-2023
<b>Total</b>			<b>58.61</b>		<b>50.59</b>	<b>0.75</b>	<b>8.75</b>	

#### B. Frauds amounting to less than one lakhs

Sl. No.	GL No	Branch	Customer Name	Loan Date	Irregularity	Amount of Irregularity	Loan Amount	GL Status
1	2310	APR-KANITHI ROAD	BARRI RAMA	28-06-2022	Spurious	18195	127000	closed
2	7642	KAR-MURUNAD	THANGAVVA.K.M	25-01-2022	Spurious	62795	62800	closed
3	28615	TML-T.KALLIKULAM	JESU RAVI CHANDRAN	21-06-2022	Spurious	17402	250000	closed
4	23404	TML-KAMUTHI	VIGNESHWARAN	20-05-2022	Spurious	38000	38000	closed
5	9439	TML-KOODAL NAGAR	ARUN VASANTH	18-05-2022	Spurious	34700	34700	closed
6	66302952	TML-SUNDARAPURAM	YUVARAJ.G	15-06-2022	Spurious	35400	35400	closed
7	41292	TML-SPIC NAGAR	ANITHA GANESH	25-04-2022	Spurious	2240	8000	closed
8	8363	TML-ELAKKIAMPATTI	AVINASH B	02-03-2022	Spurious	29997	30000	closed
9	10027	TML-HOSUR-2	VENKATACHALAM G	16-04-2022	Spurious	13600	13600	closed
10	9978	TML-HOSUR-2	IIAVARASI S	01-04-2022	Spurious	14826	35300	closed
11	16234	TML-ALANGULAM	VISWANATHAN.A	05-02-2022	Spurious	2880	8000	closed
12	33006	TML-ARAPPALAYAM	GNANASEKAR A	13-01-2022	Spurious	9891	283500	closed
13	705205355	DLH-UTTAM NAGAR	RADHA RANI	04-08-2022	Spurious	90130	300000	closed
14	31564	KAR-GUNDLUPET	MALLIKARJUNAPPA G S	21-07-2022	Spurious	84096	167496	closed
15	14564	APR-LAXMI NAGAR	ARBAZ KHAN	11-05-2022	Spurious	56528	142000	closed
16	18062	KAR-MANJUNATHA NAGAR	NAGARATHNA N	11-07-2022	Spurious	52284	130200	closed
17	27873	KER-VAWAKAVU	DIVAKARAN NAKULAN	16-07-2022	Spurious	60000	60000	closed
18	5954	KER-CIVIL STATION-CLT	SOORAJ.K	28-06-2022	Spurious	56000	56000	closed
19	10930	TML-ALAGAPURAM	VTERIVEL S	22-07-2022	Spurious	11302	25000	closed
20	35198	TML-ALANGULAM	THANGAKUMAR.R	21-07-2022	Spurious	77110	137000	closed
21	22620	TML-UTHAMAPALAYAM	RATHINAM S	26-07-2022	Spurious	14004	298500	closed
22	9137	TML-THIRUNAGAR COLONY	PREMKUMAR. S	29-07-2022	Spurious	70806	450000	closed
23	21208238	TML-HOSUR-2	ELAVARASI S	14-07-2022	Spurious	13128	31700	closed



Sl. No.	GL No	Branch	Customer Name	Loan Date	Irregularity	Amount of Irregularity	Loan Amount	GL Status
24	10599	TML-ARANTHANGI I	RATHNA PRIYANGA MATHAN	28-07-2022	Spurious	46213	288832	closed
25	7437	TML-SHEVAPET	GOBI V	13-06-2022	Spurious	80000	80000	closed
26	66302904	TML-SUNDARAPURAM	ABDUL SALEEM	06-07-2022	Spurious	89709	105900	closed
27	66302909	TML-SUNDARAPURAM	ABDUL SALEEM	06-08-2022	Spurious	93800	93800	closed
28	66302910	TML-SUNDARAPURAM	ABDUL SALEEM	06-08-2022	Spurious	89300	89300	closed
29	43388	TML-THOPPUR	KARIYAPPAN K	06-10-2022	Spurious	50000	50000	closed
30	156	TML-MELAKALKANDARK-OTTAI	SURENDRAN	05-11-2022	Spurious	55000	55000	closed
31	16830	TML-BARGUR	SUGUNA	09-12-2022	Spurious	71000	71000	closed
32	69748	TML-KULASHEKARA	M SHAJAHAN	19-12-2022	Spurious	7000	7000	closed
33	69753	TML-KULASHEKARA	M SHAJAHAN	20-12-2022	Spurious	5000	5000	closed
34	10264	TML-KOODAL NAGAR	VELUSAMY.I 9940935475 S/O IYYAN	11-11-2022	Spurious	26000	26000	closed
35	16364	TML-KARIMANGALAM	ARISTATEL.M	03-11-2022	Spurious	79000	79000	closed
36	9168	TML-RAMANATHAPURAM	MOHAMMED IMTHIYAS S	29-07-2022	Spurious	25000	25000	closed
37	9177	TML-RAMANATHAPURAM	MOHAMMED IMTHIYAS S	03-08-2022	Spurious	74000	74000	closed
38	9090	TML-RAMANATHAPURAM	MOHAMMED IMTHIYAS S	23-06-2022	Spurious	56000	56000	closed
39	48037	TML-SANKARANKOVIL	RAVI.S	03-11-2022	Spurious	10000	10000	closed
40	2730	TLG-VINOD MAHAL	ESALLA KRISHNAVENI	13-12-2022	Spurious	43212	390000	closed
41	229	APR-ADDANKI	PATHAN BAJI	06-10-2022	Spurious	88296	90000	closed
42	10103	APR-RAMATAKIES ROAD	MALITHA MANDIRA DURGAPRASAD	23-11-2022	Spurious	41501	59500	closed
43	11069	APR-SRK PURAM	ANITHA MADDI	08-10-2022	Spurious	40620	44000	closed
44	706205935	KAR-HOSAKOTE	SATHISH N	01-10-2022	Spurious	33168	38000	closed
45	6016	APR-VANASTHALIPURAM	SRAVANTHI GUNTHA	22-08-2022	Spurious	42300	84952	closed
46	9254	GOA-TALEIGAO	SARITA NAMRESH SHI-RODKAR	17-11-2021	Spurious	30204	79860	closed
47	33920	APR-KANAJIGUDA	PUSHPA RANI C	17-10-2022	Spurious	75966	125000	closed
48	1210501615	TML-REDHILLS	NAGADEVI	11-03-2023	Spurious	7752	162000	closed
49	66303375	TML-SUNDARAPURAM	MURUGESAN S	19-01-2023	Spurious	22500	22500	closed
50	66303385	TML-SUNDARAPURAM	VANISHWARI M	23-01-2023	Spurious	40991	40991	closed
51	66303471	TML-SUNDARAPURAM	VANISHWARI M	14-02-2023	Spurious	49000	49000	closed
52	14795	TML-AVADI	ANURADHA K	18-03-2023	Spurious	7764	33000	closed
53	14629	TML-AVADI	DHARANI.C	01-02-2023	Spurious	3793	22000	closed
54	15851	TML-KARIMEDU	VINODHINI.B	04-02-2023	Spurious	56111	56111	closed
55	28727	TML-NAGAMALAI	SHANMUGARAJ V.	21-12-2022	Spurious	11000	11000	closed
56	275	TML-KATTUR	PRABAVATHI	21-01-2023	Spurious	7500	7500	closed
57	13366	TML-VILLIVAKKAM	VANITHA KUMAR M B	28-01-2023	Spurious	64997	64997	closed
58	40219	TML-CHERRY ROAD	ARUL SELVAM	21-02-2023	Spurious	99000	99000	closed
59	2868	TML-WGC ROAD	VILMA	20-01-2023	Spurious	3600	9000	closed
60	46084	KER-PUNALUR1	INDIRA BHAI	04-03-2023	Spurious	17500	17500	closed
61	16581	KAR-RC ROAD	SURESHA S O NEELAKANTIAH	14-12-2022	Spurious	38500	38500	closed
62	16770	KAR-RC ROAD	SWAMY S O BOREGOWDA	04-01-2023	Spurious	37000	37000	closed
63	26947	DLH-NAJAFGARH	SANDHYA SONI	19-01-2023	Spurious	84400	84400	closed
64	3139	APR-ARILOVA	GARIKINA YELLAMMA	12-01-2023	Spurious	11001	15000	closed

**7. 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 31.03.2023	As at 31.03.2022
1. CRAR (%)	22.81%	21.65%
2. CRAR- Tier I Capital (%)	15.99%	18.18%
3. CRAR- Tier II Capital (%)	6.82%	3.47%
4. Amount of subordinated debt raised as tier II Capital	20,130.85	7,312.82
5. Amount raised by issue of Perpetual DebtInstrument	-	-

## 8.2. Investments

(Rupees In lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
(1) Value of Investments		
(i) Gross Value of Investments		
(a) In India	980.53	904.58
(b) Outside India,	-	-
(ii) Provisions for Depreciation		
(a) In India	-	-
(b) Outside India,	-	-
(iii) Net Value of Investments		
(a) In India	980.53	904.58
(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 31.03.2023	As at 31.03.2022
(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	Nil
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	2022-23	2021-22
(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	2022-23	2021-22
(i) No. of accounts	-	-
(ii) Aggregate value (net of provisions) of accounts sold	-	-
(iii) Aggregate consideration	-	-
(iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v) Aggregate gain /(loss) over net book value	-	-

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

Particulars	2022-23	2021-22
(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	2022-23	2021-22
(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*	1,464.30	1,677.41	3,979.08	17,519.29	21,900.34	66,152.62	1,92,856.40	18,732.63	275.50	1,720.70	3,26,278.27
Investments										980.53	980.53
Borrowings	1,088.86	68.92	3,842.84	5,960.80	4,612.92	23,113.69	1,04,660.25	1,08,986.45	55,966.36	13,903.92	3,22,205.01
Foreign Currency assets			-	-	-	-	-	-	-	-	-
Foreign Currency liabilities											

\*Includes interest receivable.

**A. Details of financing of parent company products**

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

**B. 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.

**C. Unsecured Advances**

- Company does not have unsecured advances on intangible securities such as charge over rights, licenses, authorisations etc. as collateral.
- The company has unsecured advances (Micro Finance loan) of Rs. 20713.17 lakhs given to group of women against their joint liability.

## 8.6 Miscellaneous Disclosures

### A. Registration obtained from other financial sector regulators

Financial regulators	Certificate number
Reserve Bank of India	N-16.00175
Securities and exchange Board of India	IN-DP-CDSL-660-2012
Insurance Regulatory and Development Authority of India	CA0122

### B. Related Party Transactions

Name and Particulars of the Related Party	Relationship with the Company
Mathew Muthoottu (Managing Director )	Key Managerial Personnel(KMP)
Nizzy Mathew (Whole Time Director)	
P.E. Mathai (CEO)	
Ann Mary George, ACA ( CFO )	
Smitha K S, ACS ( CS )	
Maliakal Jose Paul	Independent Director
M S Rajagopal	
Manoj Kumar R*	Non-Executive Director
Roy M Mathew	Relatives of Key Managerial Personnel
Muthoottu Royal Gold	
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	
Muthoottu Infotech Pvt Ltd	
Muthoottu Finance & Services Pvt Ltd (Erstwhile Kozhancherry MM Financial Services Pvt Ltd)	
Miilanche	

\*Note:

- Mr. Manoj Kumar R was appointed as non-executive director by the members at AGM held on 30/09/2022
- Mr. Manoj Kumar R was appointed as Independent director for a term commencing from 01/04/2023 till 30/09/2026 by the members at EGM held on 24/03/2023

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

(Rupees In lakhs)

Particulars	Key Managerial Personnel (KMP)		Director		Relatives of KMP		Entity in which KMP has significant influence	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Salary & Allowances	579.47	543.26	-		-		-	
Sitting fees	-		6.45	7.4	-		-	
Rent/ Maintenance charges	4.74	4.62	-		5.44	4.16	20.62	12.72
Rent Received	-		-		3.59		21.36	21.04
Debenture/subdebt interest	5.65	6.66	-		0.36	0.19	-	
Debenture redeemed	22.7	8.4	-		-		-	
Debenture holdings*	49.12	49.95	-		5		-	
Subdebt Redeemed	4.5	4.5	-		1.12	1.12	-	
Loan Against Property outstanding	-		-		-		596.39	635.62
Interest on Loan against property	-		-		-		86.53	91.63
Principal repayment of Loan against property	-		-		-		39.23	34.14



Particulars	Key Managerial Personnel (KMP)		Director		Relatives of KMP		Entity in which KMP has significant influence	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Payment towards Purchase of materials	-		-		-		26.10	27.43
Diary printing	-		-		-		30.86	61.18
Commission Received	-		-		8.71		-	1.85
Purchase of Gold coin	-		-		-		3.03	1.98
Travelling Expenses	18.37		-		-		-	
IT Consultancy & Support Services	-		-		-		22.23	

\*Purchased from secondary market.

#### 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 Hotels Private Limited;
2. M/s Muthoottu Mini Theatres Private Limited

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

1. Mrs. Nizzy Mathew
2. Mr. Mathew Muthoottu

#### C. 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 A-/Stable (latest PR dated 16 <sup>th</sup> Aug 2022)	From IND BBB+/Stable Upgraded
India Rating & Research Pvt Ltd	Bank Loan	IND A-/Stable (latest PR dated 16 <sup>th</sup> Aug 2022)	From IND BBB+/Stable Upgraded
CARE	Non-convertible Debentures	CARE A-/Stable (latest PR dated 12 <sup>th</sup> Aug 2022)	From CARE BBB+/Stable Upgraded
CARE	Long Term	CARE A-/Stable (latest PR dated 12 <sup>th</sup> Aug 2022)	-

#### D. Remuneration to Non-Executive directors

(Rupees In lakhs)

Particulars	2022-23	2021-22
Sitting fees	6.45	7.40
Travel expenses	-	-

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

Particulars	Rupees In lakhs
Total Comprehensive Income	6,748.95
Prior Period Items	Nil
Changes in Accounting Policy	-

#### F. 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.

## 8.7. Additional Disclosures

### A. Provisions and Contingencies

(Rupees In lakhs)

Particulars	2022-23	2021-22
Break up of 'Provisions and Contingencies shown under the head Expenditure in Profit and Loss Account	-	-
Provisions for depreciation on Investment	-	-
Provision towards NPA	-42.34	3.47
Provision made towards Income tax	1,374.76	1156.43
Provision for gratuity	130.64	123.69
Provision for Standard Assets	-274.12	665.22

### 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)	2,052.37
Percentage of Advances to twenty largest borrowers to Total Advances of the applicable NBFC	0.63%

#### (iii) Concentration of Exposures

Particulars	Rupees In lakhs
Total Exposure to twenty largest borrowers/customers	2,052.37
Percentage of Exposure to twenty largest borrowers/customers to Total exposure of the NBFC borrowers/customers	0.63%

#### (iv) Concentration of NPA

Particulars	Rupees In lakhs
Total Exposure to top four NPA Accounts	230.35

### D. Movement of NPAs

(Rupees In lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
(i) Net NPAs to Net Advances (%)	0.37%	0.52%
(ii) Movement of NPAs (Gross)		
(a) Opening balance	1,526.35	1,721.16
(b) Additions during the year	363.67	499.83
(c) Reductions during the year	490.21	694.63
(d) Closing balance	1,399.81	1,526.36
(iii) Movement of Net NPAs		
(a) Opening balance	1,298.88	1,497.16
(b) Additions during the year	319.55	417.25
(c) Reductions during the year	403.73	615.52
(d) Closing balance	1,214.70	1,298.89
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	227.47	224.00
(b) Provisions made during the year	44.12	82.58
(c) Write-off / write-back of excess provisions	86.47	79.11
(d) Closing balance	185.12	227.47

## E. Off-Balance Sheet SPVs sponsored

Company has not sponsored any off Balance Sheet SPVs

## 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 IndAS 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	3,16,459.63	1,642.32	3,14,817.31	1,268.06	374.26
	Stage 2	8,418.83	51.94	8,366.89	37.44	14.50
<b>Subtotal</b>		<b>3,24,878.46</b>	<b>1,694.26</b>	<b>3,23,184.20</b>	<b>1,305.50</b>	<b>388.76</b>
Non-Performing Assets (NPA)						
Substandard	Stage 3	278.14	24.82	253.31	41.25	-16.42
Doubtful - up to 1 year	Stage 3	212.25	43.87	168.38	153.89	-110.02
1 to 3 years	Stage 3	233.13	33.33	199.80	129.97	-96.64
More than 3 years	Stage 3	536.80	74.27	462.53	277.23	-202.96
Subtotal for doubtful		1260.32	176.30	1084.02	602.34	-426.05
Loss	Stage 3	139.49	8.83	130.66	139.49	-130.66
<b>Subtotal for NPA</b>		<b>1,399.81</b>	<b>185.13</b>	<b>1,214.69</b>	<b>741.84</b>	<b>-556.71</b>
Total	Stage 1	3,16,459.63	1,642.32	3,14,817.31	1,268.06	374.26
	Stage 2	8,418.83	51.94	8,366.89	37.44	14.50
	Stage 3	1,399.81	185.13	1,214.69	741.84	-556.71
	<b>Total</b>	<b>3,26,278.27</b>	<b>1,879.39</b>	<b>3,24,398.88</b>	<b>2,047.34</b>	<b>-167.95</b>

## 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
1	19	1,44,704.55	NA	44.91%

\*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
1,01,837.92	31.61%

### 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 IssueNCD	1,28,846.01	39.99%
2	Unsecured Public Issue NCD	14,879.64	4.62%

Sr No.	Name of the instrument/product	Amount	% of Total borrowings
3	Subordinated debt	24,300.29	7.54%
4	Term Loan	72,156.17	22.39%
5	Working Capital Loan	81,210.93	25.20%
6	<b>Total</b>	<b>3,21,393.04</b>	<b>99.75%</b>

# 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.

\* Amount includes interest accrued on the same

#### 10.5 Stock Ratios:

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	0.53%
6	Other short-term liabilities as a % total liabilities	0.63%

#### 10.6 Institutional set-up for liquidity risk management

The Company has constituted Risk Management Committee of the Board 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.

**11. The Company invoked resolution plans to relieve COVID-19 pandemic related stress to eligible borrowers. The resolution plans are based on the parameters laid down in the resolution policy approved by the Board of Directors of the Company and in accordance with the guidelines issued by the RBI on August 6, 2020 and May 5, 2021. The staging of accounts and provisioning for the eligible accounts where the resolution plans are invoked and implemented is in accordance with the Board Approved Policy in this regard**

Disclosure on Resolution Framework 2.0 implemented in terms of RBI notification no. RBI/2020-21/16 DOR. NO.BP. BC/3/21.04.048/2020-21 dated August 6, 2020 and RBI/2021-22/31/DOR.STR.REC.11 /21.04.048/2021-22 dated May 05, 2021

(a) Format B: For the year ended March 31, 2023

(Rupees In lakhs)

Type of Borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of the quarter ended 31 December, 2022	Of (A), aggregate debt that slipped into NPA during the quarter	Of (A), amount written off during the quarter	Of (A), amount paid by the borrowers during the quarter	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of the year 31 march, 2023
	(A)	(B)	(C)	(D)	(E) *
Personal loans	252.23	88.75	-	106.27	57.21
Corporate loans	-	-	-	-	-
Of which MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	252.23	88.75	-	106.27	57.21

\*represents the closing balance of loan accounts as on March 31, 2023

**12. Disclosure in Financial Statements in pursuant to the circular RBI/2022-23/26DOR.ACC.REC.No.20/21.04.018/2022-23 dated April 19, 2022:**

## SECTION I

### A. EXPOSURES

#### 1. Exposure to Real Estate Sector

(Rupees In lakhs)

Category	As at 31.03.2023	As at 31.03.2022
<b>I) Direct Exposure</b>		
<b>(a) Residential Mortgages -</b>		
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
<b>(b) Commercial Real Estate -</b>		
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	596.39	635.62
<b>(c) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -</b>		
a. Residential	-	-
b. Commercial Real Estate	-	-
<b>II) Indirect Exposure</b>		
Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies.		
Total Exposure to Real Estate Sector	688.32	727.55

#### 2. Exposure to Capital Market

Category	As at 31.03.2023	As at 31.03.2022
(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;	980.53	904.58
(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) Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	-	-
(ix) Financing to stockbrokers for margin trading		
(x) All exposures to Alternative Investment Funds:		
(i) Category I		
(ii) Category II		
(iii) Category III		
Total Exposure to Capital Market	980.53	904.58



### 3. Sectoral exposure

Sector	As at 31 <sup>st</sup> March 2023			As at 31 <sup>st</sup> March 2022		
	Total Exposure (includes on balance sheet and off-balance sheet exposure) (₹ crore)	Gross NPAs (₹ crore)	Percentage of NPAs to Total Advances in that sector	Total Exposure (includes on bal- ance sheet and off-balance sheet exposure) (₹ crore)	Gross NPAs (₹ crore)	Percentage of NPAs to Total Advances in that sector
Agriculture & allied activities			-			
MSME			-			
Corporate borrowers			-			
Services			-			
Personal Loan						
(i) Gold Loan	3048.77	10.35	0.34%	2426.97	10.57	0.43%
(ii) Microfinance Loans	207.13	2.73	1.32%	64.35	3.78	5.87%
(iii) Loan against property	6.88	0.92	13.36%	7.28	0.92	12.64%
Auto loans			-			
Other personal loans						

\*In the disclosures as above, if within a sector, exposure to a specific sub-sector/industry is more than 10 per cent of Tier I Capital of a NBFC, the same shall be disclosed separately within that sector. Further, within a sector, if exposure to specific sub-sector/industry is less than 10 per cent of Tier I Capital, such exposures shall be clubbed and disclosed as "Others" within that sector.

### 4. Intra Group Exposures

Top 20 Intra group exposure as on 31.03.2023 are:

Sl. No	Customer	Exposure o/s as on 31.03.2023 (in crores)	% of exposure on total exposure of the NBFC
1.	Muthoottu Mini Hotels Limited	5.96	0.18%
	<b>Total</b>	<b>5.96</b>	

### B. RELATED PARTY TRANSACTIONS

Particulars	Key Managerial Personnel (KMP)/Directors		Relatives of Director/ KMP		Entity in which KMP/ relatives of KMP has significant influence	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
<b>Maximum Outstanding During the year</b>						
<b>Borrowings</b>						
A. Debentures outstanding						
Mathew Muthoottu	19.20	18.20				
Nizzy Mathew	41.75	36.75				
B. Subordinate Debt outstanding						
Mathew Muthoottu	4.50	4.50				
Nizzy Mathew	-	-				
Roy M Mathew			6.12	6.12		
<b>Deposits</b>						
<b>Advances</b>						
A. Loan Against property					635.62	669.76

Particulars	Key Managerial Personnel (KMP)/Directors		Relatives of Director/ KMP		Entity in which KMP/ relatives of KMP has significant influence	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
<b>Investments</b>						
<b>Outstanding During the year</b>						
<b>Borrowings</b>						
A. Debentures outstanding						
Mathew Muthoottu	10.00	18.20				
Nizzy Mathew	39.11	31.75				
B. Subordinate Debt outstanding						
Mathew Muthoottu		4.50				
Nizzy Mathew						
Roy M Mathew			5.00	6.12		
<b>Deposits</b>						
<b>Advances</b>						
A. Loan Against property					596.39	635.62
<b>Investments</b>						
<b>Interest Paid</b>						
A. Interest on Debenture/Subdebt	5.65	6.66	0.36	0.19		
<b>Interest Received</b>						
A. Loan Against property					86.53	91.63
<b>Others</b>						
Salary & Allowances	579.47	543.27	-		-	

\*Specify item if total for the item is more than 5 per cent of total related party transactions. Related parties would include trusts and other bodies in which the NBFC can directly or indirectly (through its related parties) exert control or significant influence

## C. DISCLOSURE OF COMPLAINTS

### 1. Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman

Sr. No	Particulars	Current Year	Previous Year
<b>Complaints received by the NBFC from its customers</b>			
1	Number of complaints pending at beginning of the year	-	
2	Number of complaints received during the year	6	
3	Number of complaints disposed during the year	6	
3.1	Of which, number of complaints rejected by the NBFC	NIL	
4	Number of complaints pending at the end of the year	-	
<b>Maintainable complaints received by the NBFC from Office of Ombudsman</b>			
5	Number of maintainable complaints received by the NBFC from Office of Ombudsman	6	7
5.1	Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	6	7
5.2	Of 5, number of complaints resolved through conciliation / mediation / advisories issued by Office of Ombudsman		
5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC		
6*	Number of Awards unimplemented within the stipulated time (other than those appealed)	NA	NA

Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in Integrated Ombudsman Scheme, 2021 (Previously The Ombudsman Scheme for Non-Banking Financial Companies, 2018) and covered within the ambit of the Scheme.

\* It shall only be applicable to NBFCs which are included under The Reserve Bank - Integrated Ombudsman Scheme, 2021

## 2. Top 5 ground of complaints received by the NBFC from Customers:

Grounds of complaints (ie, complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase / decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, Number of complaints pending beyond 30 days
1	2	3	4	5	6
<b>Current Year</b>					
Loans & Advances		2			
Facilities to customers visiting the office / adherence to prescribed working hours		2			
Others		2			
Ground - 4					
<b>Previous Year</b>					
Ground - 1					
Ground - 2					
Ground - 3					
Ground - 4					

## SECTION II

### A. CORPORATE GOVERNANCE

#### 1) Composition of the Board

Sl. No.	Name of Director	Director since	Capacity (i.e. Executive/ Non- Executive/ Chairman/ Promoter nominee/ Independent)	DIN	Number of Board Meetings		No. of other Director ships	Remuneration			No. of shares held in and convertible instruments held in the NBFC
					Held	Attend- ed		Salary and other compensation	Sitting Fee	Com- mission	
1	Mathew Muthoottu	07/03/2008	Managing Director	01786534	7	7	9	264 LPA	0	0	1,47,79,912
2	Nizzy Mathew	18/03/1998	Chairman & Whole Time Director	01680739	7	7	9	180 LPA	0	0	33,54,446
3	MJ Paul	18/11/2019	Independent Director	07218120	7	7	1	0	1,75,000	0	0
4	MS Rajagopal	08/10/2018	Independent Director	08114376	7	7	0	0	3,15,000	0	0
5	Manoj Kumar R	01/10/2021	Non-Executive Director	09357326	7	7	0	0	1,55,000	0	0

#### Details of change in composition of the Board during the current financial year (2022-2023).

Sl. No.	Name of Director	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Nature of change (Resignation, appointment)	Effective date
1.	Manoj Kumar R DIN: 09357326	Non-Executive Director	Regularization of appointment from additional Director to Non-executive Director	Appointment at AGM held on 30-09-2022 and effective from the same date
2.	Manoj Kumar R DIN: 09357326	Independent Director	Appointment as Independent Director for the period commencing from 01-04-2023 to 30-09-2026.	Appointment at the EGM held on 24-03-2023 effective from 01-04-2023

**Details of change in composition of the Board during the previous financial year (2021-2022).**

Sl. No.	Name of Director	Capacity (i.e., Executive / Non-Executive / Chairman / Promoter nominee / Independent)	Nature of change (Resignation, appointment)	Effective date
1.	John V George	Additional Director	Cessation of period of appointment at AGM	30-09-2021

**Relationship between Directors**

Except as stated below, none of our Directors are related to each other:

Sr. No.	Name of the Director	Designation	Relationship with other Directors
1.	Nizzy Mathew	Chairman and Wholetime Director	Mother of Mathew Muthoottu
2.	Mathew Muthoottu	Managing Director	Son of Nizzy Mathew

**2. Committees of the Board and their composition**
**1. AUDIT COMMITTEE**

Sl. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1.	MJ Paul	18-11-2019	Chairman (Independent Director)	4	4	0
2.	MS Rajagopal	09-10-2020	Member (Independent Director)	4	4	0
3	Mathew Muthoottu	24-04-2009	Member (Managing Director)	4	4	1,47,79,912

**2. NRC COMMITTEE**

Sl. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1	MJ Paul	18-11-2019	Chairman (Independent Director)	3	4	0
2	MS Rajagopal	08-10-2018	Member (Independent Director)	3	4	0
3	Manoj Kumar R	01-10-2021	Member (Independent Director)	3	4	0

**3. DEBENTURE COMMITTEE**

Sl. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1.	MS Rajagopal	09-10-2020	Chairman (Independent Director)	1	1	0
2.	Mathew Muthoottu	10-12-2013	Member (Managing Director)	1	1	1,47,79,912
3	Nizzy Mathew	10-12-2013	Member (Whole time Director)	1	1	33,54,446

#### 4. STAKEHOLDERS RELATIONSHIP COMMITTEE

Sl. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1.	MS Rajagopal	09-10-2020	Chairman (Independent Director)	3	Yes	0
2.	Mathew Muthoottu	10-12-2013	Member (Managing Director)	3	Yes	1,47,79,912
3	Nizzy Mathew	10-12-2013	Member (Whole time Director)	3	Yes	33,54,446

#### 5.. RISK MANAGEMENT COMMITTEE

Sl. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1.	MS Rajagopal	09-10-2020	Chairman (Independent Director)	4	Yes	0
2.	Mathew Muthoottu	22-04-2013	Member (Managing Director)	4	Yes	1,47,79,912
3	Nizzy Mathew	22-04-2013	Member (Whole time Director)	4	Yes	33,54,446

#### 6. INVESTMENTS AND BORROWINGS COMMITTEE

Sl. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1	MS Rajagopal	1-10-2021	Chairman (Independent Director)	19	Yes	0
2	Mathew Muthoottu	1-10-2021	Member (Managing Director)	19	Yes	1,47,79,912
3	Nizzy Mathew	1-10-2021	Member (Whole time Director)	19	Yes	33,54,446

#### 7. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Sl. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1	Rajagopal M.S.	09-10-2020	Chairman Independent Director	5	5	0
2	Mathew Muthoottu	10-04-2014	Member Managing Director	5	5	1,47,79,912
3	Nizzy Mathew	10-04-2014	Member Whole time Director	5	5	33,54,446

### 3. General Body Meetings

#### Details of the date, place and special resolutions passed at the General Body Meetings - FY 2022-23

Sl. No.	Type of Meeting (Annual/ Extra-Ordinary)	Date and Place	Special Resolutions Passed
1	Annual General Meeting	30 <sup>th</sup> of September 2022 at the Registered Office of the Company at 65/623 K Muthoottu Royal Towers, Kaloar, Kochi, Ernakulam, Kerala-682017	1. Appointment of Mr. Manoj Kumar R as a Non- Executive Director
2	Extra-Ordinary General Meeting	1. 29 <sup>th</sup> June, 2022 at 11.00 AM at the Registered Office of the Company at 65/623K, Muthoottu Royal Towers, Kaloar, Kochi, Ernakulam-682017	1. Approval of related party transactions under section 188 of the Companies Act 2013-Corporate Guarantee/collateral security from Muthoottu Mini Hotels Private Limited . 2. Approval of related party transactions under section 188 of the Companies Act 2013-Corporate Guarantee/Collateral security from Muthoottu Mini Theaters Private Limited
	Extra Ordinary General Meeting	December, 2022 at 11.00 AM at the Registered Office of the Company at 65/623K, Muthoottu Royal Towers, Kaloar, Kochi, Ernakulam-682017.	1.To approve the overall Borrowing Limits u/s 180(1)(c) of the Companies Act, 2013 2. To seek approval under Section 180(1) (a) of the Companies Act, 2013 inter alia for creation of mortgage or charge on the assets, properties or undertaking(s) of the Company
	Extra Ordinary General Meeting	March 24, 2023, at 11.00 am at the Registered Office of the Company at 65/623K, Muthoottu Royal Towers, Kaloar, Kochi, Ernakulam-682017.	1.Adoption of amended article no. 128 of article of association of the company in order to align the same inter alia with respect to the change in the amended SEBI (ILNCS) (amendment) regulations 2023- Nominee Director 2. Appointment of Mr. Manojkumar R (DIN: 09357326) as independent director

#### 4. Details of non-compliance with requirements of Companies Act, 2013

NIL

#### 5. Details of penalties and strictures

Sr. No.	FY	Com-pliance Requirement (Regulations/ circulars/guide-lines including specific clause)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations/ Remarks of the Practicing Company Secretary	Managment Response	Re-marks
1	2022-23	Regulation 50(2)	Regulation 50(2)	Delayed Compliance	BSE	Fine	Delay in furnishing intimation about meeting of shareholders	5900	The Company has paid the fine & intimated the same to BSE.	The Company has paid the fine & intimated the same to BSE.	NA
2	2022-23	Regulation 53(2)	Regulation 53(2)	Delayed Compliance	BSE	Fine	Delay in submission of annual report within the period prescribed.	16520	The Company has paid the fine & intimated the same to BSE.	The Company has paid the fine & intimated the same to BSE.	NA
3	2022-23	Regulation 57(4)	Regulation 57(4)	Delayed Compliance	BSE	Fine	Delay in submission of details of interest payable obligations during the quarter.	1180	The Company has paid the fine & intimated the same to BSE.	The Company has paid the fine & intimated the same to BSE.	NA



## B. DIVERGENCE IN ASSET CLASSIFICATION AND PROVISIONING

The RBI has neither assessed any additional provisioning requirements in excess of 5 percent of the reported profits before tax and impairment loss on financial instruments for the financial year ended March 31, 2023, nor identified any additional Gross NPAs in excess of 5% of the reported Gross NPAs for the said period.

### SECTION III

As per the SBR framework issued by Reserve Bank, Section III to the above circular applicable only for the NBFC classified as Upper Layer. The company is not an upper layer company hence the same shall be not applicable.

#### 13. Disclosure on Loan against Gold vide RBI notification DNBS.CC.PD.No.265/03.10.01 /2011-12 dated March 21, 2012

(Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Total Asset under Management (on books)	3,26,278.27	2,49,860.46
Total Loan against Gold	3,04,876.78	2,42,697.48
Percentage of Gold Loan on Total Assets (on book)	93.44%	97.13%

## Notes

[illegible]





